

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 344/MP/2018

Along with IA 26/2019

Coram:

Shri P.K.Pujari, Chairperson

Dr. M. K. Iyer, Member

Shri. I.S Jha, Member

Date of Order: 10.06.2019

In the matter of

Miscellaneous petition filed under Regulation 24 read with Regulation 111 of Central Electricity Regulatory Commission (Conduct of Business) (Amendment) Regulations, 2009, Regulation no. 35 (Power to Relax) and Regulation no. 36 (Removal of Difficulty) of RLDC fees and Charges Regulation 2015 and in compliance of the directions of the Commission issued vide Orders in Petition nos. 240/TT/2015 by NERLDC, 241/TT/2015 by WRLDC, 242/TT/2015 by SRLDC, 243/TT/2015 by NRLDC, 244/TT/2015 by NLDC and 245/TT/2015 by ERLDC- Approval of the additional expenses on account of Wage Revision, Additional Manpower, Certification Linked Incentive, Increase in Performance Related Pay Kitty and additional O&M expenses for the control period 2014-19.

And in the matter of

Power System Operation Corporation Limited
B-9, Qutub Institutional Area, 1st Floor,
Katwaria Sarai, New Delhi -110016

....Petitioner

Vs



1. Chairman, UPPCL, Lucknow Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14-Ashok Marg, Lucknow-226001.
2. Principal Secretary, Government of J&K,
Civil Secretariat, Srinagar, J&K.
3. CMD, Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg, Jaipur-302005.
4. Chairman, RUVNL, Vidyut Bhawan, Janpath,
Jyoti Nagar, Jaipur- 302005, Rajasthan.
5. Chairman, Punjab State Transmission Corporation Limited,
PSEB Head Office The Mall, Patiala-147001.
6. Managing Director, Haryana Vidyut Prasaran Nigam Limited,
Shakti Bhawan, Sector-6, Panchkula-134109.
7. Chief Engineer, Haryana Power Purchase Center,
Room No-308, Shakti Bhawan, Sector-6 Panchkula-134109, Haryana.
8. CMD, Delhi Transco Limited,
Shakti Sadan, Kotla Road, New Delhi-110 002.
9. Chairman, Himachal Pradesh State Electricity Board Ltd.,
Kumar House, Vidyut Bhawan, Shimla-171004.
10. Managing Director, Power Transmission Corporation of Uttarakhand Limited,
7-B, Lane No-1, Vasant Vihar Enclave, Dehradun - 248 001.
11. Managing Director, Uttarakhand Power Corporation Ltd.,
Kanwli Road, Urja Bhawan, Dehradun-248001, Uttarakhand.



12. Chief Engineer, Electricity Department, UT Chandigarh,
Sector 9-D, UT Chandigarh -160019.
13. Chief Electrical Engineer, North Central Railway General Manger Office,
Subedarganj Uttar Madhya Railway, Allahabad, UP- 211011.
14. Executive Director, NRTS-I, Power grid Corporation of India Ltd.,
B-9, Qutab Institutional Area, New Delhi-110016.
15. The DGM, Electrical, National Fertilizers Limited,
District:- Ropar, Naya Nangal 140124, Punjab.
16. General Manager, Singrauli Super Thermal Power Station,
Shakti Nagar, UP-231222.
17. General Manager, Singrauli Solar PV Power Project,
Shakti Nagar, UP-231222.
18. General Manager, Singrauli Small Hydro Power Project,
Shakti Nagar, UP-231222.
19. General Manager, Rihand Super Thermal Power Station-I,
Rihand Nagar, UP-231223.
20. General Manager, Rihand Super Thermal Power Station-II,
Rihand Nagar, UP-231223.
21. General Manager, Rihand Super Thermal Power Station-III,
NTPC Rihand, Dist-Sonbhadra, UP – 231223.
22. General Manager, Dadri, National Capital Power Project,
Dadri Dhaulana Road, Distt. Gautam Buddh Nagar, UP-201008.



23. General Manager, Dadri – Stage - II, National Capital Power Project, Dadri Dhaulana Road, Distt. GautamBuddh Nagar, UP-201008.
24. General Manager, Firoz Gandhi Unchahar Thermal Power Project-I, P.O. Unchahar, Distt. Raibareilly, UP.
25. General Manager, Firoz Gandhi Unchahar Thermal Power Project-II, P.O. Unchahar,,Distt. Raibareilly, UP.
26. General Manager, Firoz Gandhi Unchahar Thermal Power Project-III, P.O. Unchahar, Distt. Raibareilly, UP.
27. General Manager, Firoz Gandhi Unchahar Thermal Power Project-IV, P.O. Unchahar, Dist. : Raibareilly (U.P.) Pin-229406. UP.
28. General Manager, Firoz Gandhi Unchahar Solar PV Power Project, Unchahar, Distt. Raibareilly, UP.
29. General Manager, Dadri Gas Power Project, Dhaulana Road, Distt. Gautam Buddha Nagar, UP-201008.
30. General Manager, Dadri Solar PV Power Project, Dhaulana Road, Distt. Gautam Buddha Nagar, UP-201008.
31. General Manager, Auraiya Gas Power Project (Gas Fired, RLNG Fired, Liquid Fired), Dibiyapur, Distt Etawah, UP-206244.
32. General Manager, Anta Gas Power Project (Gas Fired, RLNG Fired, Liquid Fired), Distt. Baran, Rajasthan-325209.
33. General Manager, Koldam HPP, NTPC, Post- Barman, Dist- Bilaspur, Himachal Pradesh 174013.



34. Station Director, Narora Atomic Power Station,
Narora, Distt. Bulandshahar, UP-202389.
35. Station Director, Rajasthan Atomic Power Station-B,
NPCIL Rawatbhata, PO- Anu Shakti Vihar, Kota, Rajasthan-323303.
36. Station Director, Rajasthan Atomic Power Station-C,
(RAPS-5&6) NPCIL Rawatbhata, PO-Anushakti Vihar, Kota, Rajasthan-323303.
37. General Manager, Bairasiul Hydro Electric Project, NHPC Ltd.,
Surangini, Distt. Chamba, HP-176317.
38. General Manager, Salal Hydro Electric Project, NHPC Ltd,
Jyotipuram, Distt. Udhampur, J&K-182312.
39. General Manager, Tanakpur Hydro Electric Project, NHPC Ltd.,
Banbassa, Distt. Champawa, Utrakhand-262310.
40. General Manager, Chamera-I Hydro Electric Project, NHPC Ltd.,
Khairi, Distt. Chamba, HP-176310.
41. General Manager, Uri Hydro Electric Project, NHPC Ltd.,
Mohra, Distt. Baramulla, J&K-193122.
42. General Manager, Chamera-II Hydro Electric Project,
NHPC Ltd., Karian, Distt. Chamba, HP-176310.
43. General Manager, Chamera-III Hydro Electric Project, NHPC Ltd.,
Dharwala, Distt.- Chamba, HP-176311.
44. General Manager, Dhauliganga Hydro Electric Project, NHPC Ltd.,
Tapovan, Dharchula, Pithoragarh, Utrakhand-262545.



45. General Manager, Dulhasti Hydro Electric Project, NHPC Ltd.,
Chenab Nagar, Distt. Kishtwar, J&K-182206.
46. General Manager, Uri 2 Hydro Electric Project, NHPC Ltd.,
Nowpura, Distt. Baramulla, J&K-193123.
47. General Manager, Parbati HE Project Stage-III Behali,
P.O- Larji Kullu 175122 Himachal Pradesh.
48. Chief Engineer, Sewa-II Power Station, NHPC Ltd.
Mashke, post Bag no-2, P.O-Khari, Dist: Kathua, Jammu and Kashmir -176325.
49. The Chief Engineer (Electrical), Kishanganga HEP, Office cum Residential colony,
Kralpora, Distt: Bandipora, Jammu and Kashmir-193502.
50. Chief Engineer (Elect.), Parbati-II HEP, Electrical & Mechanical complex,
Sainj, Distt. Kullu, Himachal Pradesh -175134.
51. General Manager, Naptha Jhakhri HEP, Satluj Jal Vidyut Nigam Ltd. Power Project,
Jhakri, Rampur, Distt. Shimla, HP-172201.
52. General Manager, Rampur HEP, Satluj Jal Vidyut Nigam Ltd. Power Project,
Jhakri, Rampur, Distt. Shimla, HP-172201.
53. General Manager, Tehri Hydro Development Corporation Ltd.,
Bhagirath Puram, Tehri, Uttrakhand-249001.
54. General Manager, Koteshwar HEP, THDCIL, Koteshwerpuram,
Post Office- Pokhari Tehri Garwal, Uttarakhand – 249146.
55. General Manager, ADHPL, Village- Prini, PO -Jagat Sukh,
Tehsil - Manali, Distt- Kullu (H.P) India.



56. General Manager, Indra Gandhi Super Thermal Power Project, PO -Jharli, Tahsil Matanhail, Dist – Jhajjar, (Haryana)-124125.
57. General Manager, Karcham Wangtoo HEP, Himachal Baspa Power Company Limited, Sholtu Colony, PO- Tapti, Dist-Kinnaur, -172104 (HP).
58. Director, Malana - II Everest Power Pvt. Ltd, Hall-A/ First Floor Plot No-143-144, Udyog Vihar, Phase -4, Gurgaon, Haryana 122015.
59. Company Secretary, Shree Cement Thermal Power Project Bangurnagar, Beawar , Dist Ajmer, Rajasthan -305901.
60. Company Secretary, Greenco Budhil HPS Ltd, Plot No. 1367 Road No- 45, Jubilee Hills, Hyderabad- 500033.
61. Project General Manager, Himachal Sorang Power Limited, D-7, Lane-I, Sector-I, New Shimla, Shimla, H.P.-171009.
62. Director (Power Regulation), Bhakra Power House, SLDC Complex , 66 KV Substation, Industrial Area Phase-I, Madhya Marg, BBMB Chandigarh.
63. General Manager, Sainj HEP, HPPCL, Larji, Distric - Kullu, Himachal Pradesh, 175122.
64. Executive Director, PGCIL, NRTS-I, Power Grid Corporation of India Ltd., B-9, Qutab Institutional Area, New Delhi-110016.
65. Director, Operations, Powerlinks Transmission Ltd., 10th Floor, DLF Tower-A, District Centre, Jasola, New Delhi-110044.
66. Executive Director & CEO, Jaypee POWERGRID Ltd. F-Block, Sector -128 Noida- U.P.



67. Director, Adani Transmission India Ltd, Business Development,
Achalraj, Opp Mayor Bungalow, Law Garden, Ahmedabad 380009.
68. Managing Director, Parbati Koldam Transmission Company LTD.,
5th Floor 1A, JMD Galleria, Sec-48, Sohna Road, Gurgaon, Haryana 122018.
69. General Manager, Indira Gandhi Super Thermal Power Project,
Aravali Power company Private Limited, P.O.: Jharli, Dist-Jhajjar.
70. The Vice President, NRSS XXIX Transmission Limited, F-1,
Mira Corporate Suite, Ishwar Nagar, Mathura Road, New Delhi – 110065.
71. The DIRECTOR, Patran Transmission Company Limited, 400 KV 220kV GIS Substation,
Village-Banwala, Tehsil-Patran, District: Patiala 147105 Punjab.
72. The Vice President, RAPP Transmission Company Ltd, F-1,
Mira Corporate Suite, Ishwar Nagar, Mathura Road, New Delhi – 110065.
73. The Vice President, NRSS XXXI (B) Transmission Ltd. Essel Infra projects Ltd. 06th Floor,
Plot No. 19, Film City, Sec-16 A, Gautam Buddha Nagar , Noida U.P. – 201301.
74. The Vice President, NRSS XXXVI Transmission Ltd. Essel Infra projects Ltd. 06th Floor, Plot
No. 19, Film City, Sec-16 A, Gautam Buddha Nagar , Noida U.P. – 201301.
75. CEO, POWERGRID Unchahar Transmission Ltd. 765/400/220kV Substation,
Village Chauferava, Post & Dist Fatehpur, Uttar Pradesh, 212601.
76. Managing Director, MSEDCL, Prakashgad, 5th Floor,
Bandra East, Maharashtra Mumbai 400051.
77. Managing Director, GUVNL, Sardar Patel Vidyut Bhavan,
Race Course Gujarat Vadodara 390007.



78. Managing Director, MP Power Management Co Ltd, 3rd Floor,
Block No 11, Shakti Bhavan, Rampur, Madhya Pradesh 482008.
79. Managing Director, CSPDCL, PO - Sunder Nagar Chhattisgarh Raipur,
Dangania 492013.
80. Secretary (Power), Electricity Department, UT of Daman & Diu,
Sachivalaya, Daman & Diu Moti Daman 396210.
81. Secretary (Power), UT of Dadra Nagar & Haveli, Secretariat,
Electric Department, 66kv Amli Road, Dadra Nagar & Haveli Silvassa 396230.
82. Managing Director, ESSAR STEEL INDIA LIMITED, 27th KM,
Surat Hazira Road, Gujarat Surat 394270.
83. Chief Electrical Engineer, Goa Electricity Department,
Government of Goa, 3rd Floor, Vidyut Bhavan, Panjim, Goa – 403001.
84. General Manager, Bhadravathi HVDC, Power Grid Corporation of India Ltd, Sumthana
Village, Bhadravathi(Tahsil), Bhadravathi, Chandrapur(Dist), Maharashtra-442 902.
85. General Manager, Vindhayachal HVDC, Power Grid Corporation of India Ltd,
P.O.Vindhyanagar, P.Box.No.12, Singrauli(Dist), Madhya Pradesh-486 885.
86. BARC FACILITY- Plant Superintendent, BARC-Nuclear Recycle Board(NRB),
BARC, Tarapur, Mumbai – 401502, Maharashtra.
87. Station Incharge, +/- 800 kV Champa HVDC Terminal, Power Grid Corporation of India Ltd,
Vill: Taga, Tahsil: Akaltara, Janjgir-Champa, Chhattisgarh – 495668.
88. General Manager, Korba STPS STG (I & II), NTPC Ltd.,
P.O.: Vikas Bhavan, Jamnipali, Korba(District), Chhattisgarh- 495 450.



89. General Manager, Korba STPS STG (III), NTPC Ltd,
P.O.Vikas Bhavan, Jamnipali, Korba(Dist), Chhattisgarh- 495 450.
90. General Manager, VSTPS-STAGE-I, Vindhayachal STPS, NTPC Ltd,
P.O.: Vindhyanagar, Sidhi(District), Madhya Pradesh – 486 885.
91. General Manager, VSTPS-STAGE-II, Vindhayachal STPS, NTPC Ltd. ,
P.O.: Vindhyanagar, Sidhi(Dist),Madhya Pradesh – 486 885
92. General Manager, VSTPS-STAGE-III, Vindhayachal STPS, NTPC Ltd,
P.O.: Vindhyanagar, Sidhi(Dist),Madhya Pradesh – 486 885.
93. General Manager, VSTPS-STAGE-IV, Vindhayachal STPS, National Thermal Power Corporation of India Ltd, P.O Vindhyanagar, Sidhi(Dist),Madhya Pradesh – 486 885.
94. General Manager, VSTPS-STAGE-V, Vindhayachal STPS, National Thermal Power Corporation of India Ltd, P.O Vindhyanagar, Sidhi(Dist),Madhya Pradesh – 486 885.
95. General Manager, Kawas Gas Power Project, NTPC Ltd , P.O.Aditya Nagar,
Surat, Gujarat - 394 516.
96. General Manager, Gandhar Gas Power Project, NTPC Ltd,
P.O.: NTPC Township, Bharuch(Dist), Gujarat- 392215.
97. General Manager, SIPAT TPS Stg-I, NTPC Ltd,
SIPAT, Chhattisgarh - 495558.
98. General Manager, SIPAT TPS Stg-II, NTPC Ltd.,
SIPAT, Chhattisgarh-49555.
99. General Manager, Mouda STPP Stage-I, NTPC Ltd,
Mouda Ramtek Road, P.O.Mouda, Nagpur (Dist), Maharashtra.



100. General Manager, Mouda STPP Stage-II, NTPC Ltd,
Mouda Ramtek Road, P.O.Mouda, Nagpur (Dist), Maharashtra.
101. General Manager/ Plant Head, NTPC Ltd.,
Solapur Super Thermal Power Station,
PO: Hotgi Station, Taluka: South Solapur, District: Solapur, Maharashtra-413003.
102. Station-Incharge, NTPC Ltd LARA STPP, - Vill-Chhappora Po+Ps- Pussora,
Raigarh, Chattisgarh-496001.
103. Station-Incharge, NTPC Ltd. Gadarwara STPP, Village-Dongargaon,
PO: Gangai, Tehsil- Gadarwara, Dist-Narsinghpur, Madhya Pradesh.
104. General Manager ,2 X 135 MW Kasaipali Thermal Power Project,
ACB (India) Ltd. District - Korba Chhattisgarh Chakabura 495445.
105. General Manager, Bharat Aluminium Co. Ltd, Captive Power plant-II,
BALCO Nagar Chhattisgarh Korba 495684.
106. Executive Director, Costal Gujarat Power Ltd (CGPL-UMPP),
Tunda Vandh Road, Tunda Village, Mundra, Gujarat Kutch 370435.
107. Excecutive Director, DB Power, Village - Baradarha,
Post - Kanwali, Dist - Janjgir, Champa, Chhattisgarh Baradarha 495695.
108. Executive Director Jindal Power Ltd. Stg-I, OP Jindal STPP,
PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District - Raigarh, 496107.
109. Executive Director Jindal Power Ltd. Stg-II, OP Jindal STPP,
PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District - Raigarh, 496107.
110. Executive Director, DGEN Mega Power Project, Plot No Z-9,



Dahej SEZ Area (Eastern side), At: Dahej, Taluka-Vagra,
Dist-Bharuch, Gujarat 392130.

111. Executive Director, GMR Warora Energy Limited,
Plot No B-1, Mohabala MIDC Growth Center Post Tehsil - Warora,
Dist – Chandrapur, Maharashtra 442907.
112. Executive Director, ESSAR POWER MP LTD.
Village Bandhora, Post- Karsualal, Tehsil- Mada,
Distt. Singrauli, Madhya Pradesh – 486886.
113. Head (Commercial), GMR CHHATTISGARH ENERGY LTD,
Skip House, 25/1, Museum Road, Karnataka, Bangalore-560025.
114. Managing Director, Jaypee Nigrie Super Thermal Power Project,
Nigri District, Singrauli, Madhya Pradesh 486668.
115. Executive Director, DCP, OP Jindal STPP, PO-Tamnar,
Gjarghoda Tehsil, Chhattisgarh District - Raigarh, 496107.
116. Station Director, Nuclear Power Corporation of India Ltd,
Kakrapar Atomic Power Station, PO - via Vyara, Dist – Surat, Gujarat – 395651.
117. Station Incharge, Kakrapar Atomic Power Project-3&4(KAPP-3&4),
Regd. Office: NPCIL, 16th Floor, Centre-1, World Trade Centre,
Cuffe Parade, Colaba, Mumbai-400005.
118. Station Director, Tarapur Atomic Power Station 1&2,
Nuclear Power Corporation of India Ltd, P.O. TAPP,
Thane(Dist), Maharashtra- 401 504.
119. Station Director, Tarapur Atomic Power Station 3&4,
Nuclear Power Corporation of India Ltd, P.O. TAPP,



Thane(Dist), Maharashtra- 401 504.

120. Managing Director, Korba West Power Co.Ltd., Village - Chhote Bhandar, P.O. - Bade Bhnadar, Tehsil - Pussore, District - Raigarh, Chhattisgarh Raigarh 496100.
121. Managing Director, KSK Mahanadhi , 8-2-293/82/A/431/A, Road No 22 Jubilee Hills, Andhra Pradesh Hyderabad 500033.
122. General Manager (Comml), LANCO Power Ltd, Plot No - 397, phase -III, Udyog Vihar, Haryana Gurgaon 122016.
123. General Manager, NTPC-SAIL Power Company Privte Ltd, Puranena Village, Chhattisgarh Dist - Durg, Bhilai 490021.
124. General Manager, Ratnagiri Gas & Power Pvt Ltd (RGPPPL), 5th floor, GAIL Jubilee Tower, B-35-36, Sector-1, Noida, Gautam Budh Nagar, Uttar Pradesh 201301.
125. Managing Director, Sasan Power Ltd, Reliance Centre, Near Parbhat Colony, Off Western Express Highway, Santacruz (E), Mumbai 400055.
126. Member (Power), Narmada Control Authority, Narmada Sadan, Sector -B, Scheme No 74, Vijaynagar, Indore, Madhya Pradesh-452010.
127. CEO, MB Power (Madhya Pradesh) Ltd., Corporate Office: 239, Okhla Industrial Estate Phase-III, New Delhi- 110020.
128. Chief General Manager, RKM Powergen Pvt. Ltd., Village: Uchpinda, PO: Dhurkot, Dist: Janjgir-Champa, Chhattisgarh -495692.



129. Head (Commercial), Jhabua Power Ltd., Village – Barrella,
Post – Attaria, Tahsil –Ghansor, Dist – Seoni, Madhya Pradesh – 480997.
130. Head (Commercial), Dhariwal Infrastructure Ltd., CESC House,
Chowringhee Square, Kolkata – 700001.
131. Head (Commercial), SKS Power Generation Chhattisgarh Ltd., 501B,
Elegant Business Park, Andheri Kurla Road, J B Nagar,
Andheri (East), Mumbai – 400059.
132. Sr. Vice President (Power), M/s. TRN Energy Pvt. Ltd., 18,
Vasant Enclave, Rao Tula ram Marg, New Delhi-110057.
133. Mahindra Renewables Pvt Ltd, RUMS,
Deputy Manager, Mahindra Towers, Dr. G.M Bhosale Marg,
P.K Kurne Chowk, Worli, Mumbai-400018.
134. Arinsun Clean Energy Pvt Ltd, RUMS, Construction Manager,
Unit-3, ACEPL, Rewa Ultra Mega Solar Plant,
Gurh Tehsil, Dist. Rewa, MP- 486553.
135. ACME Jaipue Solar Power Pvt Ltd, RUMS,
Senior Manager, Plot No 152, Sector-44, Gurgaon-122002, Haryana.
136. OSTRO Kutch Wind Pvt. Ltd,
Sr. Manager, Unit No G-0, Mira Corporate Suites,1&2 Iswar Industrial Estate,
Mathura Road, New Delhi-110065
137. Users under the category of Inter State Transmission Licensees
138. General Manager, Power Grid Corporation of India Ltd.
Western Region - I Headquarters, PO - Uppalwadi, Sampritinagar,
Nagpur, Maharashtra – 440026.



139. Managing Director, Essar Power Transmission Co. Ltd.
27 Km Surat Hazira Road, Surat Gujarat -394270 India.
140. Executive Director, Jindal Power Ltd., OP Jindal STPP,
OP Jindal STPS, PO- Tamnar, Chhattisgarh District - Raigarh, 496107.
141. Executive Director, Torrent PowerGrid Ltd,
Torrent House, Off Ashram Road, Gujarat Ahmedabad 380009.
142. General Manager, Western Transco Power Limited.,
601,6th Floor, Hallmark Business Plaza,
Opp. Gurunanak Hospital, Bandra(E), Mumbai-51.
143. General Manager, Western Transmission Gujarat Limited.,
601,6th Floor, Hallmark Business Plaza, Opp. Gurunanak Hospital,
Bandra(E), Mumbai-51.
144. General Manager (Comml), Adani Power Ltd. Achalraj,
Opp. Mayor Bungalow, Law Garden, Ahmedabad, Gujarat – 380006.
145. Head (Commercial), Bhopal Dhule Transmission Company Ltd.,
Sterlite Grid Ltd. 634 Tulip, New Minal Presidency, J K Road,
Ayodhya Bypass, Madhya Pradesh Bhopal 462023.
146. Head (Commercial), Raichur Solapur Power Transmission Company Ltd,
Patel Estate, SV Road, Jogeshwari West, Mumbai 400102.
147. Head (Commercial), Jabalpur Transmission Company Limited (JTCL)-Sterlite Grid Ltd.
634 Tulip, New Minal Presidency, J K Road, Ayodhya Bypass,
Madhya Pradesh Bhopal 462023.
148. RAPP Transmission Company, Sterlite Grid Ltd. 634 Tulip,



New Minal Presidency, J K Road, Ayodhya Bypass,
Madhya Pradesh Bhopal 462023.

149. Powergrid Warora Transmission Ltd. (PWTL), CEO,
Sampriti Nagar, Nari Ring Road, Nagpur, Maharashtra- 440026.
150. Chhattisgarh-WR Transmission Limited (CWRTL), General Manager,
8A, Sambhav House, Judges Bungalow Road,
Bodakdev Ahmedabad, Gujarat- 380015.
151. Powergrid Parli Transmission Ltd, CEO,
Sampriti Nagar, Nari Ring Road, Nagpur, Maharashtra- 440026.
152. Khargone Transmission Limited, O&M Head Office,
A (Tulip) - 634, Project Director – Asset Management and Grid Planning,
New Minal Residency, J.K Road Near Ayodha Bypass Road, Bhopal – 462023
153. Chairman, Bihar State Holding Co. Ltd., Vidyut Bhavan,
Bailey Road, Patna, Bihar 800021.
154. Chairman, Jharkhand Urja Vikash Nigam Limited,
Dhurwa Road, Ranchi, Jharkhand 834002.
155. Chairman, Damodar Valley Corporation,
DVC Tower, VIP Road, Kolkata, WB 700054.
156. Chairman, Grid Corporation of India Ltd,
Janpath, Bhubaneswar, Odisha 751022.
157. Secretary, Power Deptt., Govt. of Sikkim,
Kaji Road Sikkim Gangtok 731101.
158. Chairman, West Bengal State Electricity Distribution Corporation Limited,



Bidyut Bhavan, Saltlake, Kolkata WB 700091.

159. Executive Director, ERTS – I, Power Grid Corporation Limited, Board Colony, Shastri Nagar, Patna-800023.
160. Addl. General Manager, NTPC Vidyut Vyapar Nigam Limited, Lodhi Road New Delhi 110003.
161. DGM(Commercial), Power Grid Corporation Of India Ltd. RHQ, ERTS-II, CF-17, Action Area-1C, New Town, West Bengal, Kolkata -700156.
162. General Manager, Farakka Super Thermal Power Plant-I&II, NTPC Ltd., Farakka, WB 742236.
163. General Manager, Kahalgaon Super Thermal Power Plant-I NTPC Ltd, Bhagalpur Bihar 813214.
164. General Manager, Kahalgaon Super Thermal Power Plant-II NTPC Ltd, Bhagalpur Bihar -813214.
165. Executive Director, Talcher Super Thermal Power Stn-I NTPC Ltd, Nayapalli, Odisha-751012.
166. Chief Engineer (Elect), Teesta V HEP, NHPC, Singtam, East Sikkim-737134.
167. Chief Engineer, Rangit Hydro Electric Project NHPC, P.O. Rangit Nagar South Sikkim-737111.
168. Chairman, Damodar Valley Corporation DVC Tower, VIP Road West Bengal Kolkata-700054.



169. General Manager, Farakka Super Thermal Power Plant-III,
NTPC Ltd., Farakka, WB-742236.
170. Plant Head,Vedanta Ltd, IPP Administrative Building Orissa
Village:- Bhurkhamunda Jharsuguda-768202.
171. CEO, Maithon Power Limited MA-5 Gogna Colony,
P.O: Maithon, Dhanbad, Jharkhand-828027.
172. Addl. General Manager, National Thermal Power Corporation Limited,
BARH Thermal Power Station, Patna, Bihar-803213.
173. President & Director - Projects, GATI Infrastructure Pvt.Ltd, 268,
Udyog Vihar, Phase-IV, Gurgaon, Haryana-122001.
174. DGM (Electrical), Adhunik Power & Natural Resource Limited
Village: Padampur, PS: Kandra Tata-Seraikela Road, Jharkhand-832105.
175. Addl. General Manager(Commercial), Talcher Solar PV,
ER-II Headquarters,NTPC Limited, 3rd Floor, OLIC Building,
Plot No.: N-17/2, Nayapalli, Odissa Bhubaneswar-751012.
176. GM (Power Sales & Regulatory), GMR Kamalanga Energy Ltd,
Plot No.-29, Satyanagar, Bhubaneswar, Odissa-751007.
177. Head Power & Sales, Jindal India Thermal Power Ltd.,
Plot No.12,Local Shopping Complex,Sector-B1,Vasant Kunj, New Delhi- 110070.
178. Advisor(Power), Ind-Barath Energy Utkal Ltd , Sahajbahal,
PO CgarpaliBarpali, Dist - Jharsuguda, Odisha , Pin – 768211.
179. Head Commercial, Tata Power Trading Co. Ltd.,
C-43,Sec-62, UP Noida 201307.



180. Sr. General Manager (PP), Grid Corporation of India Ltd.,
Janpath, Orissa, Bhubaneswar-751022.
181. AGM ,DANS ENERGY PVT. LTD. 5th Floor, DLF Building No. 8,
Tower C, DLF Cyber City, Phase – II, Gurgaon- 122002, Haryana.
182. The General Manager(O&M), Bharatiya Rail Bijlee Company Ltd.
Nabinagar,Khera Police Station Dist.-Aurangabad, Bihar-824303.
183. Sr.Vice President(O&M),Teesta Urja Ltd.(Teesta -III HEP) Vijaya Building,
2nd Floor, 17 Barakhamba Road New Delhi New Delhi 110001.
184. General Manager (O&M),Darlipali Super Thermal Power Project NTPC Ltd.,
Odisha Darlipali,Sundergarh 770072.
185. GM(O&M), Kanti Bijlee Utpadan Nigam Limited
Muzaffarpur Thermal Power Station Bihar Muzaffarpur 843130.
186. GM(C & RA),Odisha Power Generation Corporation Ltd.,Zone-A,
7th Floor, Fortuna Towers, Chandrashekharapur, Odisha Bhubanneswar 751023.
187. President –Technical,Shiga Energy Private Ltd. 5th Floor,
DLF Building No.8, Tower C, Phase-II, Haryana Gurgaon 122002 .
188. VP(Commercial), Sneha Kinetic Power Project Private Ltd 1366,
Road no. 45, Jubilee Hills Telangana Hyderabad 500033.
189. Chairman, East North Interconnection Company Ltd.,
C-2, Mathura Road, New Delhi 110065.
190. Executive Director, ER-I, Power Grid Corporation (I) Ltd,
Board Colony,Shastri Nagar, Patna- 800023.



191. General Manager, Powerlinks Transmission Limited Vidyut Nagar,
Siliguri WB 734015.
192. Head- Asset Manament/O&M, Purulia & Kharagpur Transmission Comp. Ltd
634A-Tulip New Minal Residency,J.K Road Near Ayodhya Bypass Road,Bhopal-462023.
193. Sr.Vice President, Teestavalley Power Transmission Ltd.,Vijaya Building,
2nd Floor, 17 Barakhamba Road,New Delhi -110001.
194. General Manager,A-26/03,Mohan Cooperative Industrial Estate,
Mathura Road New Delhi New Delhi 110044.
195. Chairman cum Managing Director APTRANSCO, Vidyut Soudha, Gunadala,
Vijayawada-520004, Andhra Pradesh.
196. Chairman cum Managing Director
TSTRANSCO, Vidyut Soudha, Hyderabad – 500 082, Telangana
197. Managing Director PCKL, KPTCL building,
Cauvery Bhavan, Bangalore-560 009, Karnataka.
198. Chairman KSEB, Vaidyuthi Bhavanam,
Pattom, Trivandrum-695 004, Kerala.
199. Chairman TNEB, 144, Anna Salai,
Chennai – 600 002, Tamil Nadu.
200. Superintending Engineer PUDUCHERRY ELE. DEPT,
Electricity Dept. of Pondicherry, Pondicherry – 605 001.
201. Chief Engineer (Electrical) Goa Electricity Board,
Office of Chief Electrical Engineer (Electrical) Govt. of Goa, Vidyuth Bhavan, 3rd Floor,
Panaji, Goa-403 001.



202. Executive Director POWERGRID HVDC, PGCIL,
Southern Regional Transmission System – II, Near.RTO Driving Test Track,
Singanayakanhalli, Yelahanka, Bangalore – 560 064, Karnataka.
203. General Manager , RAMAGUNDAM STG I & II
NTPC, RSTPS, Jyothi Nagar, Dist. Karim Nagar, Telangana - 505 215.
204. General Manager, RAMAGUNTAM STG III
NTPC, RSTPS, Jyothi Nagar, Dist. Karim Nagar, Telangana - 505 215.
205. General Manager, SIMHADRI STG II
NTPC, District - Vishakhapatnam, Simhadri – 531 020, Andhra Pradesh.
206. General Manager, SIMHADRI STG I
NTPC, District - Vishakhapatnam, Simhadri – 531 020, Andhra Pradesh.
207. Executive Director, NTPC, TALCHER STG II
NTPC, Kaniha, Deepshikha - P.O, District – Angul – 759 147, Orissa.
208. The DGM (O&M), Kudgi STPP
NTPC, T.K.Basavana Bagewadi, Bijapur Dist - 586 121, Karnataka.
209. Chief General Manager, NLC TPS II STG I
Neyveli Lignite Corpn. Ltd, Thermal Power Station II,
Neyveli 607 801, Tamil Nadu.
210. Chief General Manager, NLC TPS II STG II
Neyveli Lignite Corpn. Ltd , Thermal Power Station II,
Neyveli 607 801, Tamil Nadu.
211. Chief General Manager, NLC TPS I EXPANSION
Neyveli Lignite Corpn. Ltd., Thermal Power Station I (Exp.),



Neyveli 607 801, Tamil Nadu.

212. Deputy General Manager, NLC TPS II EXPANSION
Neyveli Lignite Corpn. Ltd., Thermal Power Station II (Expn.),
Neyveli 607 801, Tamil Nadu.
213. General Manager, Neyveli - 607807,
Cuddalore Dist. Tamil Nadu.
214. Station Director, MAPS
Nuclear Power Corpn. Of India Ltd, Madras Atomic Power Station,
Kalpakkam – 603 102, Tamil Nadu.
215. Station Director, KGS UNITS 1&2
Nuclear Power Corpn. Of India Ltd, Kaiga Generating Station,
Kaiga – 581 400, Karwar, Karnataka.
216. Station Director, KGS UNIT 3&4
Nuclear Power Corpn. Of India Ltd, Kaiga Generating Station,
Kaiga – 581 400, Karwar, Karnataka.
217. The Station Director, KNPP Unit-1
Kudankulam Nuclear Power Project, Nuclear Power Corporation of India Ltd., Kudankulam
Post, Radhapuram Taluk – 627106, Tamil Nadu.
218. The Station Director, KNPP Unit-2
Kudankulam Nuclear Power Project, Nuclear Power Corporation of India Ltd.,
Kudankulam Post, Radhapuram Taluk – 627 106, Tamil Nadu.
219. The General Manager
NTPC Tamilnadu Energy Company Ltd., Vallur Thermal Power Project,
Vellivoyalchavadi Post, Poneri Taluck, Tiruvallur Dist, Chennai – 600 013, Tamil Nadu.



220. The General Manager
NLC Tamilnadu Power Limited, 2 * 500MW JV Thermal Power Project,
Harbour Estate, Tuticorin – 628 004, Tamilnadu.
221. Executive Director, LANCO KODAPALLI St II
LANCO KONDAPALLI POWER PVT. LTD, Kondapalli,
Ibrahimpattanam Mandal, PIN 521 228, Telangana.
222. Executive Director, LANCO KODAPALLI St III
LANCO KONDAPALLI POWER PVT. LTD, Kondapalli,
Ibrahimpattanam Mandal, PIN 521 228, Telangana.
223. The Chairman & Managing Director
Meenakshi Energy Pvt Ltd. (Phase I), 405, Saptagiri Towers,
1-10-75/1/1 to 6, Begumpet, Secunderabad – 500016, Telangana.
224. The Chairman & Managing Director
Meenakshi Energy Pvt Ltd (Phase II), 405, Saptagiri Towers,
1-10-75/1/1 to 6, Begumpet, Secunderabad – 500016, Telangana.
225. The General Manager
Simhapuri Energy Ltd., Madhucon Green lands,
6 – 3 – 866 / 2, 3rd Floor, Begumpet, Hyderabad – 560 016, Telangana.
226. The President & CEO
Coastal Energen Pvt Limited, 7th Floor, Buhari Towers,
No.4 Moores Road, Chennai – 600006, Tamil Nadu.
227. The Chief Commercial Officer (CCO)
SEMBCORP Energy India Ltd., 6-3-1090, A-Block, 5th Floor,
T.S.R Towers, Raj Bhavan Road, Somajiguda, Hyderabad 500082, Telangana.
228. The AGM-Electrical



IL&FS Tamil Nadu Power Company Ltd, C. Pudhupettai (Post),
Parangipettai (Via), Chidambaram (TK), Cuddalore 608502, Tamil Nadu.

229. The GM Operations
Sembcorp Gayatri Power Ltd, TP Gudur Mandal,
Nellore - 524344, Andhra Pradesh.
230. Executive Director POWERGRID ISTS,
Southern Regional Transmission System – II, Near.RTO Driving Test Track,
Singanayakanahalli, Yelahanka, Bangalore – 560 064, Karnataka.
231. The Project In Charge Raichur Sholapur Transmission Company Limited,
Patel Estates, S.V.Road, Jogeshwari (West), Mumbai 400102, Maharashtra.
232. The Project In Charge Kudgi Transmission Ltd., Building No 3, Second Floor,
Sudeep Plaza, MLU Sector - 11, Pocket - 4, Dwarka, NEW DELHI – 110 075, Delhi.
233. The Project In Charge Powergrid Vizag Transmission Ltd. Vizag 400kV SS,
Sector 10, Ukkanaguram, Vishakapatnam 530032, Andhra Pradesh.
234. The CEO Powergrid NM Transmission Ltd., SRTS - II,
Near RTO Driving Track, Singanayakanahalli,
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235. Head-O&M/Assets Management, Maheswaram Transmission Co. Ltd.,
Tulip-634, New Minal Residency, J.K.Road, Near Ayodhya Bypass,
Bhopal 462023, Madhya Pradesh.
236. Chairman, APDCL, Bijuli Bhavan, Paltan Bazar, Guwahati- 781001.
237. Chairman & Managing Director, MePDCL, Meter Factory Area,
Short Round Road, Integrated Office Complex, Shillong- 793001.



238. Chairman & Managing Director, TSECL, Bidyut Bhavan,
North Banamalipur, Agartala- 799001.
239. Chief Engineer (W. Zone), Dept. of Power, Govt. of Ar. Pradesh,
Bidyut Bhavan, Itanagar- 791111.
240. Engineer-in-Chief, P & E Dept., Govt. of Mizoram, Khatla,Aizawl- 796001.
241. Chief Engineer (Power), Dept. of Power, Govt. of Nagaland, Kohima- 797001.
242. Managing Director, MSPDCL, 3rd Floor, New Directorate Building,
Near 2nd MR Gate, Imphal – Dimapur Road, Imphal- 795001, Manipur.
243. Addl. General Manager, Power Grid Corporation of India Ltd,
800 kV HVDC Converter Station, Biswanath Chariali, Vill- Niz Baghmari,
P.O.- Burigang, Assam-784176.
244. General Manager, Doyang HEP, NEEPCO,
Wokha, Nagaland.
245. General Manager, Ranganadi HEP, NEEPCO,
P.O. Ranganadi Proj. Dist. Subansiri, Arunachal Pradesh-791121.
246. General Manager, AGBPP, NEEPCO,
Kathalguri, Tinsukia, Assam-786191.
247. General Manager, AGTCCP, NEEPCO,
Ramchandranagar, Agartala, Tripura-799008.
248. General Manager, KHANDONG HEP, NEEPCO,
Umrangsoo, N.C.Hills, Assam.
249. General Manager, KOPILI HEP, NEEPCO,



Umrangsoo, N.C.Hills, Assam.

250. General Manager, KOPILI-2 HEP, NEEPCO,
Umrangsoo, N.C.Hills, Assam.
251. Chief Engineer, NHPC Loktak HEP,
Leimatak-795124, Manipur.
252. Managing Director, ONGC Tripura Power Company Ltd,
6th Floor, A Wing, IFCI Tower-61,
Nehru Place, New Delhi-110019.
253. AGM, NTPC Ltd., BgTPP, Salakati (P),
Dist.: Kokrajhar (BTAD), Assam-783369.
254. General Manager, Kameng HEP, NEEPCO, Kimi,
P.O. Bhalukpong, Post Box-2, West Kameng Dist.,
Arunachal Pradesh-790114.
255. General Manager, Pare HEP, NEEPCO, Sopo,
P.O. Doimukh, Dist. Papumpare, Arunachal Pradesh-791112.
256. Executive Director, NERTS, Power Grid Corporation of India Ltd.,
Lapalang, Shillong-793006, Meghalaya.
257. The Managing Director, North Eastern Transmission Company Ltd,
1st Floor, Ambience Corporate Tower, Ambience Mall,
Gurgaon, 122001, Haryana.
258. Head-Corporate Affairs, ENICL, C-2 Mira Corporate Suite,
Ishwar Nagar, Mathura Road, New Delhi- 110065.

--RESPONDENTS



Parties present: Ms. Minaxi Garg, POSOCO
Shri. Ashok Rajan, POSOCO
Shri. S.R. Narsimhan, POSOCO
Shri. Rakesh Kumar, POSOCO
Shri. Y.K. Sharma, POSOCO
Shri N. Nallarajan, POSOCO

ORDER

The petitioner, Power System Operation Corporation Ltd. (POSOCO), has filed the present petition under regulation 24 read with regulation 111 of Central Electricity Regulatory Commission (Conduct of Business) (Amendment) Regulations, 2009, Regulation no. 35 (Power to Relax) and Regulation no. 36 (Removal of Difficulty) of RLDC fees and Charges Regulation 2015 and in compliance of the directions of the Commission issued vide Orders in Petition nos. 240/TT/2015 filed by NERLDC, 241/TT/2015 filed by WRLDC, 242/TT/2015 filed by SRLDC, 243/TT/2015 filed by NRLDC, 244/TT/2015 filed by NLDC and 245/TT/2015 filed by ERLDC for approval of the additional expenses on account of Wage Revision, Additional Manpower, Increase in Performance Related Pay Kitty, Certification Linked Incentive and higher O&M expenses for the control period 2014-19.

2. The petitioner, NLDC and RLDCs are statutory bodies set up under Section 26 and Section 27 of the Electricity Act, 2003. The NLDC and RLDCs are being operated by Power System Operation Corporation Limited (POSOCO) w.e.f. 1.10.2010 in accordance with the Gazette Notification dated 27.9.2010 and 19.12.2016 notified by Ministry of Power (MoP), Government of India.

3. In exercise of powers conferred under Section 178 of the Electricity Act, 2003, the Central Electricity Regulatory Commission vide notification dated 18th May 2015 issued the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2015 (herein after referred to as "Fee and Charges Regulation, 2015"). The said Regulations are applicable for determination of fees and charges of NLDC and RLDCs for the control period 2014-19.



4. The Petitioner has prayed as follows:
 - i. The Commission may approve the additional manpower requirements and impact on account of 3rd Pay revision.
 - ii. The Commission may approve the additional expenditure towards payment of certification linked incentive from the contingency fund (as per Regulation 24). Recovery of the expenses on this account to be made from the Users along with the recovery of Annual Fees and Charges during the year 2018-19. Actual amount will be subject to truing up by the Commission at the end of control period.
 - iii. The Commission may increase the kitty required to pay the Performance Related Pay computed in accordance with the DPE Guidelines.
 - iv. The Commission may approve the additional O&M expenses for the year 2018-19 to enable POSOCO in meeting the MoU targets.
 - v. Pass such other order as the Commission deems fit and appropriate in these circumstances of the case and in the interest of justice.

Background

5. In compliance to Regulation 6 of the Fees and Charges Regulations, 2015, NLDC and RLDCs had filed Petitions for determination of Fees & Charges for 2014-19 in October 2015 and the Commission had accorded its approval in December 2016.

6. NLDC and RLDCs, in their Petitions (240/TT/2015 filed by NERLDC, 241/TT/2015 filed by WRLDC, 242/TT/2015 filed by SRLDC, 243/TT/2015 filed by NRLDC, 244/TT/2015 filed by NLDC and 245/TT/2015 filed by ERLDC) had requested to approve the effect of 3rd pay revision w.e.f. 01.01.2017 and additional manpower in view of the evolving functions and increasing additional responsibilities along with the annual charges in accordance with the provisions in the Fees and Charges Regulations, 2015. Relevant provisions of the Regulation are mentioned below:

The proviso to Regulation 21(5) mentions that HR expenses should be rationalized to



consider the impact of pay revision by increasing the HR expenses by 50%. Relevant extract is reproduced below:

“Provided that the human resource expenses from 1.1.2017 onwards shall be further rationalized after considering 50% increase in employee cost on account of pay revision of the employees of the Public-Sector Undertakings to arrive at the permissible human resource expenses for the year 2017-18 and 2018-19.”

The proviso to Regulation 21(7) mentions that cost of anticipated increase in the manpower of each year of the control period shall also be considered by the Commission. Relevant extract is reproduced below:

“The cost of anticipated increase in the manpower of each year of control period shall also be considered after prudence check.”

Further, the presidential sanction for establishment of POSOCO provides that manpower required for effective functioning of POSOCO shall be approved by the Commission. The relevant extracts are quoted below:

“POSOCO’s revenue stream will be governed through fees and charges specified by the CERC as per Section 28(4) of the Electricity Act 2003. The strength of manpower required for effective functioning of RLDCs/ NLDC will be as approved by the CERC while specifying the fees and charges. The expenses of POSOCO through fees and charges so collected will be adequate to cover the functioning of the Company and there will be no dependence on Government funds.”

Submissions of the Petitioner

7. The Petitioner has submitted that the Commission in its orders on the petitions of RLDCs and NLDC, while approving the Fees and Charges for the control period 2014-19, had advised the NLDC and RLDCs to approach the Commission after implementation of the wage revision and on actual increase in manpower. Petitioner has requested that as the wage revision for executives has been implemented and significant manpower has also been recruited, the Commission may consider allowing the impact of wage revision and manpower as discussed in subsequent paragraphs:



Implementation of Pay Revision effective from 1st January 2017

8. Department of Public Enterprises (DPE) vide OM No. W-02/0028/2017-DPE (WC)-GL—XIII/17 dated 03.08.2017 and OM No. W-02/0028/2017-DPE (WC)-GL—XIV/17 dated 04.08.2017 has issued Guidelines regarding implementation of the Pay Revision in the Central Public Sector Enterprises (CPSEs). Subsequent to these Guidelines, administrative ministry i.e. Ministry of Power vide OM No. 25-18/1/2018-PG dated 10th May 2018 has also issued presidential directive for implementation of the pay revision. Accordingly, wage revision has been implemented in POSOCO for Executives. Petitioner has submitted vide Petition dated 6.11.2018 that Year wise effect of pay revision (for both executives (actual) and non- executives (estimated)) w.e.f. from last quarter of FY 2016-17 i.e. 01.01.2017 to FY 2018-19 is tabulated below:

RLDCs/NLDC	FY 2016-17	FY 2017-18	FY 2018-19*
	(01.01.2017 to 31.03.2017)		
NLDC	71.68	326.74	1026.75
NRLDC	66.75	254.93	643.18
ERLDC	68.19	322.05	748.36
WRLDC	64.57	351.29	566.99
SRLDC	60.25	283.68	558.24
NERLDC	43.59	211.63	613.38
Total	375.03	1750.34	4156.90

* *The total anticipated additional impact on the HR expenses (i.e. increments, DA, promotion etc.) have been estimated as 15% more than the earlier HR expenses (for the FY 2017-18) incurred on account of per employee. Figures for the year 2018-19 also includes additional HR expenses on account of anticipated recruitment.*

Since, the wage revision in accordance with the Regulations was to be considered by the Commission after its implementation, the Petitioner has requested to allow the estimated impact of wage revision as detailed. Any under/over recovery will be subject to truing up by the Commission at the end of control period.



Approval of Manpower Strength

9. Petitioner has submitted that during the control period (2009-14), the total strength of manpower required for POSOCO has been approved by the Commission for every year of the control period as given below.

Region	2009-10	2010-11	2011-12	2012-13	2013-14
NLDC	41	67	81	85	87
NRLDC	90	96	98	102	106
ERLDC	83	88	94	100	106
WRLDC	81	89	95	105	111
SRLDC	71	77	81	83	86
NERLDC	50	55	60	63	68
Total	416	472	509	538	564

10. POSOCO, while filing the fees and charges petitions for 2014-19, had submitted the manpower projections based on increased functions/ responsibilities and anticipated legal separation from PGCIL. The additional manpower is envisaged to take care of the increasing and rapid expansion of additional responsibilities in the areas of Regulatory Affairs, integration of renewable, increasing cross border transactions, Ancillary Services, WAMS/PMU project, Big data management, Information Technology, Logistics, Energy Efficiency, Physical Security, System Operation, SCADA/EMS Up gradation & Management, Power System, Open Access, handling of pool accounts and the associated taxation issues and Human Resource Development (including SLDCs). The new requirements need to be complemented with proportionate increase in manpower for effectively carrying out these expanding duties/responsibilities. The Commission has observed in Para 49 of the order dated 26th Dec 2016 passed in Petition No. 244/TT/2015 regarding the fees and charges for NLDC as follows:

“.....It appears that NLDC has not recruited the manpower commensurate with the projections made for the years 2015-16 and 2016-17....”

11. The Petitioner has submitted that there were similar observations in all the RLDC Fees and Charges orders for 2014-19. In this context it is pertinent to mention that



POSOCO was a subsidiary of PGCIL prior to 3rd January 2017 and all manpower working in POSOCO was being recruited through PGCIL. Post legal separation, POSOCO has started recruitment on its own. Details of recruitment carried out till September 2018 and planned recruitment from July 2018 to March 2019 are as given below:

Region		2014-15	2015-16	2016-17	2017-18	2018-19 [#]	2018-19 ^{\$}
NLDC	Recruitment	5	0	4	16	12	41
	Separation	5	5	5	6	2	
	Total	86	80	83	93	105	146
NRLDC	Recruitment	3	0	4	3	1	21
	Separation	5	6	2	3	2	1
	Total	89	82	78	79	76	96
ERLDC	Recruitment	5	0	3	4	0	23
	Separation	9	7	3	6	3	2
	Total	88	80	81	78	78	99
WRLDC	Recruitment	4	0	3	6	0	6
	Separation	2	6	3	4	2	1
	Total	93	89	88	94	91	96
SRLDC	Recruitment	4	0	4	5	1	19
	Separation	6	2	3	3	2	1
	Total	69	65	67	75	74	92
NERLDC	Recruitment	3	0	15	5	14	23
	Separation	0	0	1	2	1	1
	Total	52	54	57	60	73	95
Total Recruitment in		24	0	33	39	30	133
Total Separation in		27	26	17	24	12	6
Total Manpower in		477	450	454	479	497	624

* By 31st March and after accounting for retirement

From April 18- Sept. 18

\$ Planned recruitment from October 2018 to March 2019



12. The Petitioner has submitted that shortfall of Manpower (after budgeting for retirement) w.r.t. to the manpower projected in the Fees and Charges Petitions of RLDCs and NLDC for the control period 2014-19 (total 681 nos.) at the end of FY 2018-19 will be is as follows:

Region	Total Manpower as on 31 st March 2019 (Including Expected Joining and accounting for Retirement till 31 st March 2019)*									Projected as per Petitions for Control Period 2014-19	Shortfall
	CMD / Dir	E9	E8, E7A	E7, E6A, E6	E5-E1	Exe	Sup	Wkm	Total		
ERLDC		1	0	13	56	70	12	17	99	101	2
NERLDC		0	1	10	71	82	8	5	95	81	-14
NLDC		1	2	10	68	81	4	4	89	104	15
NRLDC		1	0	14	59	74	10	12	96	115	19
Corporate Centre	4		1	7	38	50	5	2	57	52	-5
SRLDC		1	0	16	58	75	12	5	92	105	13
WRLDC		1	0	19	42	62	14	20	96	123	27
Total	4	5	4	89	392	494	65	65	624	681	57

**Estimated based on planned recruitment. Also, the level-wise estimates are not taking into account in any planned promotions.*

13. The Petitioner has submitted that the recruitment of manpower has been carried out periodically and gradual addition in manpower has been taking place. Shortfall in the manpower as indicated in the table above is likely to be covered in the next financial year. It has already been mentioned that manpower is “the key resource” for effective discharge of



the statutory functions. In view of the above, Petitioner has requested to approve the manpower requirement for POSOCO as projected in table above.

Payment of Certification Linked Incentive

14. Petitioner has submitted that Fees and Charges Regulations, 2015, recognized the importance of certification and hence, provided for fixed monthly incentive to the system operators with a valid basic and specialized level certification.

15. Petitioner has submitted that at the time of filing of petitions for approval of the annual charges of RLDCs and NLDC for the control period 2014-19, expenses on this account were not specifically mentioned and therefore, were not covered in the Commission's orders passed in these petitions. Estimated expenditure on the payment of certificate linked incentive is tabulated below:

Calculation of Certification Linked Incentive Amount for NLDC and RLDCs						
<i>Figures in ₹ Lakh</i>						
Region	2014-15	2015-16	2016-17	2017-18	2018-19 [#]	Total
NLDC	36.30	30.60	22.80	20.10	22.50	132.30
NRLDC	29.10	31.20	9.00	9.30	11.70	90.30
ERLDC	30.30	31.50	16.50	24.60	27.90	130.80
WRLDC	31.50	32.70	13.50	26.70	27.30	131.70
SRLDC	31.50	28.20	19.80	22.50	23.70	125.70
NERLDC	20.10	25.20	9.00	20.40	21.60	96.30
Total	178.80	179.40	90.60	123.60	134.70	707.10
<i># On estimation basis</i>						

16. In view of the above, Petitioner has requested to consider and allow the expenses to be made towards payment of Certification Linked Incentive from the contingency expenses (Regulation 24 of Fee and charges Regulation, 2015). Actual amount will be subject to truing up at the end of control period. Recovery of the expenses on this account will be made from the Users along with the recovery of Annual Fees and Charges during the year 2018-19.

Higher kitty for Payment of Performance Related Pay



17. In line with the provisions of the Regulations 21 and 29(5) of the Fee and Charges Regulations, RLDCs and NLDC have been filing petitions with the Commission to claim the amount payable to the employees towards Performance Related Pay (PRP) computed in accordance with the Guidelines issued by the Department of Public Enterprises from time to time.

18. The Petitioner has submitted that the Commission has approved the Performance Linked Incentive (PLI)/Performance Related Pay (PRP) for the year FY 2014-15, FY 2015-16 and FY 2016-17 so far based on the petitions filed by RLDCs and NLDC in this regard. Recovery allowed has been between 7-9 % of the Annual Charges. As mentioned in one of the earlier paragraphs, wage revision guidelines have been issued by the DPE and the wage revision has been implemented for the Executives in POSOCO and for Non-executives is likely to be implemented shortly. Subsequent to this wage revision, Performance Related Pay component of the salary of the CPSE employees has increased significantly. With the present quantum allowed in the Regulations (7-9% of the Annual Charges), there will be a substantial shortfall in the funds required to pay the Performance Related Pay computed in accordance with the DPE Guidelines. Recoverable Performance Linked Incentive/Performance Related Pay amount as per the present provisions will be around Rs. 11.41 Crore (8% of Annual Revenue of NLDC/RLDCs for FY 2017-18 i.e. Rs.142.65 Crore) against the estimated requirement of Rs. 25 Crore for the FY 2017-18 i.e. only around 45-50% of the actual requirement. Similar shortfall will be there for the FY 2018-19 and onwards also. Ministry of Power vide their letter no. 18/2/2015-PG dated 17th March 2016 had also desired suitable amendments/ modifications in the Regulations in order to quantify the kitty available to POSOCO for payment of PRP benefits to its employees. As per the Wage Revision Guidelines dated 03.08.2017 and dated 04.08.2017 issued by DPE, for companies like POSOCO impact of wage revision including PRP would form part of revenue stream of the company.

19. Payment of PLI/ PRP depends upon the Company's performance on the targets prescribed in the Memorandum of Understanding (MoU) signed between the CPSE and Administrative Ministry. In case of POSOCO, MoU is signed with Ministry of Power.



Performance against the targets set in the MoU is evaluated at the end of the year by DPE. Petitioner has requested the Commission to consider increasing the kitty available for payment of PRP computed in accordance with the DPE Guidelines after meeting the targets set in the MoU of POSOCO from 7-9% to 17-20% of the Annual Charges for the FY 2017-18 and FY 2018-19.

Increase in O&M expenses

20. The Petitioner has submitted that the Commission while approving the Fees and Charges for the control period 2014-19 had also approved the O&M expenses for NLDC and RLDCs in line with the provisions of the Regulation 20 of the RLDC Fees and Charges Regulations. O&M expenses for the control period 2014-19 were derived from the O&M expenses of the previous control period 2009-14 by applying the escalation factor of 5.72% for normalization and a further escalation factor of 7.79% to take the effect of compound annual growth rate, inflation rate, rationalization of O&M expenses and other factors, in accordance with the Regulations.

21. The Petitioner has submitted that the Commission had also approved the charges incurred on account of engaging the consultants who would be providing services of specialized nature for reliable and secure grid operations. In accordance with the Commission's orders, these expenses are being met from the LDC Fund. While booking such expenses in the accounts of the POSOCO, these are booked under O&M expenses as per the standard accounting principles.

22. Petitioner has further submitted that POSOCO has recently been legally separated from PGCIL and has become an independent company, wholly owned by the Govt. of India. Its Board of Directors has been constituted and other staff, along with the fresh recruits in different streams, is also being inducted on regular basis. NLDC had already been grappling with shortage of space and it has worsened further due to the increased space requirements of a new organization. Though provision for expansion of NLDC building was there in the CAPEX approved by the Commission for the control period 2014-19 at the cost



of ₹20 Crores but that has not materialized due to legal separation of POSOCO from the erstwhile holding company which presently owns the existing premises. To cope up with the acute space shortage, additional space has been taken on lease for functioning of Corporate Centre of POSOCO. This additional space along with the associated office expenses has contributed towards increase in O&M expenses of the company, which exceeds the expenses approved by the Commission. Further, new recruitment at other RLDCs and NLDC is also contributing towards the increase in O&M expenses, which exceeds the expenses approved by the Commission. Comparison of the O&M expenses approved by the Commission with the actual expenses incurred is given below:

		<i>Figures in ₹ Lakh</i>						
		NLDC	NRLDC	ERLDC	WRLDC	SRLDC	NERLDC	Total
2016-17	Approved	625.58	640.82	598.36	519.29	435.8	325.64	3145.49
	Actual	2066.80	651.64	478.94	480.36	398.19	346.89	4422.82
2017-18	Approved	589.61	688.08	594.00	556.10	514.28	387.63	3329.7
	Actual	1848.68	699.75	512.31	617.04	518.88	452.02	4648.68
2018-19	Approved	526.26	739.04	637.05	595.78	550.92	413.5	3462.55
	Actual (Estimated)	2200.00	750.00	650.00	650.00	560.00	475.00	5285.00

23. The Petitioner has submitted that Regulation 12 (4) of the Fees and Charges Regulations, 2015 allows meeting the shortfall, if any, in the revenue expenditure from the LDC fund in the form of interest free advance, which shall be recouped from the expenditure allowed by the commission under the respective heads at the time of truing up. Accordingly, additional O&M expenses are being met by taking interest free advance from LDC Fund.

24. The Petitioner has submitted that POSOCO, being a Central Public-Sector Enterprise, is required to sign a Memorandum of Understanding (MoU) with the Administrative Ministry, every year, in accordance with the Department of Public Enterprises (DPE) Guidelines issued in this regard from time to time. Targets are fixed in the MoU at the beginning of the financial year and the performance of the CPSE is evaluated at the end of the financial year vis-à-vis the targets fixed. This exercise of the target setting and evaluation is guided by Department of Public Enterprises' (DPE) Guidelines. Targets for CPSEs consist of financial and non-financial parameters



carrying weight of 50:50. As per the general principle followed by DPE, targets for any year are fixed slightly higher than the estimated performance of previous year. Treatment for all CPSEs is same while fixing the financial parameters and no exemption has been granted to any CPSE in this regard. POSOCO being a Schedule 'A' CPSE is also treated at par with other CPSEs.

25. The Petitioner has submitted that for the financial year 2018-19 also, certain profitability targets have been fixed. Targets are for both operating profit and profit after considering other income. Presently, following components form part of the Revenue from Operations of POSOCO:

- (i) Return on Equity (RoE)
- (ii) Depreciation
- (iii) Interest on Loan
- (iv) O&M Expenses
- (v) HR Expenses (Recognised separately, manpower being the main asset of the company)
- (vi) Interest on Working Capital

26. In addition to the above components of revenue, other operational income forming part of the revenue is Short Term Open Access Income (STOA) as per CERC (Open Access in Inter-State Transmission) Regulations, 2008 stipulated application fees and operating charges payable by the open access applicant for both bilateral and collective transactions.

27. The Petitioner has submitted that, as per the Regulations, 'Return on Equity', 'Depreciation' and 'Interest on Loan' components of the revenue stream are deposited into the Load Despatch Centre Development Fund (LDCD Fund) which is Regulatory Fund defined in the Regulations. The Commission while approving the Fees and Charges for the control period 2014-19 in December'2016 has not allowed these components of Revenue on the CAPEX being incurred from the LDC fund during this period. Accordingly, these components on additional capitalisation are not being booked under 'Revenue from Operations'.



28. The Petitioner has submitted that when it comes to expenses, as per accounting principles, O&M expenses, HR expenses and Depreciation etc. are shown as expenses. As 'Depreciation' component is not forming part of recoverable revenue during this control period it is not being recognised in the 'Revenue from Operations' of the company. However, in the Accounts of the company, as per accounting principles, same is being shown as expense which is bringing down the operating profit of the company.

29. The Petitioner has submitted that O&M expenses are also going to be higher than the expenses allowed by the Commission. O&M expenses form part of the recoverable revenue as per the approval of Commission but in the expenses they are booked as per the actual. Increased O&M expenses will be allowed only after truing up by the Commission which is to be done after the end of control period. This will further hit the operating profit of the company.

30. The Petitioner has submitted that STOA income is also declining from the year 2014-15 onwards due to CERC orders reducing various fees forming part of this income. Subsequent to two amendments in the Fee and Charges Regulations, 2015 in 2015 and 2016, the operating charges for both bilateral and collective STOA transactions have reduced substantially. Therefore, there is a successive reduction of STOA charges for POSOCO due to the recent orders by the Commission.

31. The Petitioner has submitted that in view of the reasons cited in foregoing paragraph, POSOCO may not meet the profitability targets for the year 2018-19 and in turn may get downgraded in terms of the MoU rating. Aforementioned factors had affected the MoU rating of POSOCO for the year 2016-17 also, which was downgraded from 'Excellent' to 'Very Good' due to financial parameters. In the FY 2017-18 also, POSOCO has not been able to meet the Operating Profit target. To meet the financial targets in the MoU of the year 2018-19, the Petitioner has requested to allow the recovery of increased estimated O&M expenses for the year 2018-19 as per the table under Para 22 above which would be subject to recovery/refund based on the truing up by the Commission at the end of control period. Recovery of the additional O&M Charges would be made from the Users along with the recovery of Annual Fees and Charges.



32. Petitioner has filed IA 26/2019 for the approval of the additional HR and O&M expenses for the FY 2019-20. Petitioner has submitted in the IA that estimated O&M & HR Expenses in the FY 2019-20 based on which the targets in the draft MoU for the FY 2019-20 have been proposed and the estimated O&M and HR expenses for FY 2018-19 in the Petition no. 344/MP/2018 filed on 8th November 2018 are as follows:

<i>Figures in ₹ Lakhs</i>								
O&M Expenses								
		NLDC	NRLDC	ERLDC	WRLDC	SRLDC	NERLDC	Total
2018-19	Approved	526.26	739.04	637.05	595.78	550.92	413.5	3462.55
	Estimated	2200.00	750.00	650.00	650.00	560.00	475.00	5285.00
2019-20	Estimated	2720.00	825.00	715.00	1015.00	616.00	523.00	6414.00
HR Expenses								
2018-19 (Approved without wage revision and additional Manpower) A		2051.60	1995.67	1890.71	2063.55	1674.73	1365.65	11041.91
2018-19 (Estimated towards wage revision and additional Manpower) B		1026.75	643.18	748.36	566.99	558.24	613.38	4156.90
2018-19 (Total estimated) (A+B)		3078.35	2638.85	2639.07	2630.54	2232.97	1979.03	15198.81
2019-20 (Estimated) C		1129.43	707.50	823.20	623.69	614.06	674.72	4572.60
2019-20 (Total estimated) (A+C)		3181.03	2703.17	2713.91	2687.24	2288.79	2040.37	15614.51

33. Petitioner has submitted in the IA that O&M and HR expenses for the FY 2019-20 have been estimated based on escalation of 10% over expenses of FY 2018-19



mentioned in the Petition no. 344/MP/2018. Petitioner has further submitted that recovery of the aforesaid additional O&M and HR expenses for the FY 2019-20 can be undertaken only after truing up by the Commission which is carried out after the end of control period i.e. after FY 2023-24.

34. Petitioner has also submitted in IA that in the O&M expenses of the FY 2019-20, additional Rs. 3 Crores to be incurred on lease to meet the requirement of additional space for POSOCO Corporate office have also been factored in. POSOCO has recently been made an independent Govt. owned company. Lots of functions related to HR and Finance which were earlier being handled by the erstwhile holding company are now being done by POSOCO itself. All POSOCO Board members have also joined now. This has created the requirement of leasing of additional space for the POSOCO Corporate Office.

35. It is also submitted by Petitioner that POSOCO through NLDC and RLDCs is performing the complex and specialized function of managing the National Grid. Nature of the control room functions requires the staff to reside in the vicinity of the office building. It is extremely difficult to find accommodation in the vicinity of WRLDC Mumbai within the Company prescribed lease entitlements due to higher rentals in Mumbai when compared to the other metro cities. Therefore, direct corporate leasing of the accommodation at an estimated amount of Rs. 3 Crore, has been factored in the O&M expenses of WRLDC, Mumbai in the FY 2019-20.

36. The Petitioner has submitted that Recovery of the aforesaid additional O&M and HR expenses for the FY 2019-20 can be done only after truing up by the Commission which is carried out after the end of control period i.e. after FY 2023-24. These additional expenses due to the factors like general inflation, expanding functions, establishment of Corporate Centre and gradual addition of manpower etc. will drag the operating profit of the company to negative. POSOCO is a Schedule 'A' company and is treated at par with other commercial CPSEs by DPE during target setting in the MoU. DPE, which looks inter-alia at the previous year's data also while finalizing the targets for the MoU year, generally keep the targets higher than previous year.



37. Petitioner has submitted that to keep the company in positive operating profit so that financial targets in the draft MoU of the year 2019-20 are met and employees in the company remain motivated, it has requested to allow the recovery of increased estimated HR and O&M expenses for the FY 2019-20 which would be subject to recovery/refund based on the truing up by the Commission at the end of control period.

38. The hearing in the matter was held on 4.4.2019. As directed the petitioner has served the petition on the respondents in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004. None of the respondents have filed any reply in given timeline.

39. In response to CERC letter dated 10.4.2019, Petitioner has submitted the following point-wise reply vide affidavit dated 15.4.2019.

Detailed year-wise computation of effect of pay revision given in Petition No. 344/MP/2018 for Executive (actual) and Non-Executive (estimated) separately.

40. Year wise effect of pay revision for Executives and Non- Executives (estimated) separately is as tabulated below:

Effect of Pay Revision filed in the instant Petition

<i>(Figures in Rs. Lakhs)</i>									
Region	2016-17			2017-18			2018-19		
	Executive	Non-Executive	Total	Executive	Non-Executive	Total	Executive	Non-Executive	Total
NLDC	67.48	4.2	71.68	317.68	9.06	326.74	1018.66	8.10	1026.76
NRLDC	54.57	12.18	66.75	210.97	43.96	254.93	578.61	64.56	643.17
NERLDC	39.21	4.38	43.59	192.11	19.52	211.63	590.93	22.45	613.38
WRLDC	44.89	19.68	64.57	272.58	78.71	351.29	476.47	90.52	566.99
SRLDC	53.07	7.18	60.25	258.05	25.63	283.68	528.76	29.47	558.23
ERLDC	50.05	18.14	68.19	250.46	71.59	322.05	666.03	82.33	748.36
TOTAL	309.27	65.76	375.03	1501.85	248.47	1750.32	3859.46	297.43	4156.89



Above figures were based on the estimation at the time of filing of petitions. The revised estimates are as tabulated below:

Effect of Pay Revision submitted vide affidavit dated 15.4.2019

<i>(Figures in Rs. Lakhs)</i>									
Region	2016-17			2017-18			2018-19		
	Executive	Non-Executive	Total	Executive	Non-Executive	Total	Executive	Non-Executive	Total
NLDC	67.48	4.2	71.68	317.68	9.06	326.74	609.60	9.97	619.57
NRLDC	54.57	12.18	66.75	210.97	43.96	254.93	260.64	48.36	308.99
NERLDC	39.21	4.38	43.59	192.11	19.52	211.63	290.07	21.47	311.54
WRLDC	44.89	19.68	64.57	272.58	78.71	351.29	299.84	86.58	386.42
SRLDC	53.07	7.18	60.25	258.05	25.63	283.68	287.44	28.19	315.63
ERLDC	50.05	18.14	68.19	250.46	71.59	322.05	285.62	78.75	364.37
TOTAL	309.27	65.76	375.03	1501.85	248.47	1750.32	2033.20	273.32	2306.52

Reason of reduced estimate is mainly that actual recruitment was less than the planned recruitment in the year 2018-19. Also, most of the recruitment was done in the later-half of the year. POSOCO recruited 97 persons across disciplines and levels in 2018-19, against the planned 163.

41. Actual manpower as on 31.3.2019 is indicated below.

Region		2014-15	2015-16	2016-17	2017-18	2018-19 [#]	2018-19 ^{\$}	2018-19 (as per actual as on 31-Mar-19)
NLDC	Recruitment	5	0	4	16	12	41	71
	Separation	5	5	5	6	2		3
	Total Manpower *	86	80	83	93	105	146	162
NRLDC	Recruitment	3	0	4	3	1	21	7
	Separation	5	6	2	3	2	1	3
	Total Manpower *	89	82	78	79	76	96	79



Region		2014-15	2015-16	2016-17	2017-18	2018-19 [#]	2018-19 ^{\$}	2018-19 (as per actual as on 31-Mar-19)
ERLDC	Recruitment	5	0	3	4	0	23	4
	Separation	9	7	3	6	3	2	6
	Total Manpower *	88	80	81	78	78	99	81
WRLDC	Recruitment	4	0	3	6	0	6	
	Separation	2	6	3	4	2	1	5
	Total Manpower *	93	89	88	94	91	96	87
SRLDC	Recruitment	4	0	4	5	1	19	1
	Separation	6	2	3	3	2	1	3
	Total Manpower *	69	65	67	75	74	92	75
NERLDC	Recruitment	3	0	15	5	14	23	14
	Separation	0	0	1	2	1	1	2
	Total Manpower *	52	54	57	60	73	95	70
Total Recruitment in POSOCO		24	0	33	39	30	133	97
Total Separation in POSOCO		27	26	17	24	12	6	22
Total Manpower in POSOCO*		477	450	454	479	497	624	554

- *By 31st March and after accounting for retirement*

From April 18- Sept. 18

\$ *Planned recruitment from October 2018 to March 2019 (As mentioned in petition no 344/MP/2018)*

The shortfall is due to delay in joining by candidates, non-acceptance of offer of appointment by candidates etc.



Detailed computation of increase in HR expenses

42. Increase in HR expenses is as per the 3rd Pay Revision Guidelines. Further, level wise executives in FY 2018-19 and change in CTC pre and post pay revision is as given below:

Level	31-Mar-19	CTC pre-revision (In Rs.)	CTC Post Revision (In Rs.)
E1	14	2,94,000	7,50,000
E2	14	11,60,000	16,04,000
E3	57	8,65,000	11,23,000
	82	13,80,000	19,00,000
E4	64	15,60,000	22,00,000
E5	66	17,06,000	25,00,000
E6	31	19,00,000	28,00,000
E7	37	22,00,000	31,00,000
		22,00,000	
E8	53	32,00,000	36,50,000
E9	4	39,00,000	44,65,000
Directors	5	42,00,000	55,70,000

Reason of increase in estimated value from approved value of O&M expenses for financial year 2018-19 and basis of estimation for financial year 2019-20.

43. Reason of increase in estimated value from approved value of O&M expenses for financial year 2018-19.

- a. POSOCO was separated from POWERGRID w.e.f. 03.01.2017 and has become an independent company, wholly owned by the Govt. of India.



Its Directors have joined the company and other staff, along with the fresh recruits in different streams, is also being inducted on regular basis.

- b. Earlier both NLDC and its Corporate Centre were working from only first floor of NLDC Office in Katwaria Sarai, New Delhi. The space for NLDC itself was very limited & executives had to work in extremely cramped conditions leading to lowering the motivation levels. This worsened further after separation due to the increased space requirements of a new organization. Though provision for expansion of NLDC building was there in the CAPEX approved by the Commission for the control period 2014-19 at the cost of ₹20 Cr but this could not materialize due to various reasons. To cope up with the acute space shortage and also considering the up-gradation of NLDC control centre, installation of equipment under URTDSM besides commissioning of Renewable Energy Management Centre (REMC) at Katwaria Sarai, additional space has been taken on lease in Nehru Place for functioning of Corporate Centre of POSOCO as well as other offline departments of NLDC such as REC/PAT, PSDF, contracts, HR & Finance. Rent of additional space alone has contributed about Rs. 7 Cr in FY 2018-19. This hiring of additional office space along with the associated office expenses like security, electricity, parking, communication etc. and general maintenance expenses has contributed mainly towards the increase in O&M expenses of the company, which significantly exceeds the expenses approved by the Commission.
- c. The Commission had also approved the charges incurred on account of engaging the consultants who would be providing services of specialized nature for reliable and secure grid operations. In accordance with the Commission's orders, these expenses are being met from the LDC Fund without any matching revenue. While booking such expenses in the accounts of the POSOCO, these are booked under O&M expenses as per the standard accounting principles. POSOCO has incurred an additional expenditure of around Rs. 4 Crores towards balance payment of consultancy fee to M/s. Powertech Labs. Payment towards engagement of consultants engaged in compliance of the directions from the Commission/Govt. of India has



been approved by the Commission vide its order dated 26.12.2016 in petition no. 244/TT/2015.

44. Basis of estimation for financial year 2019-20 has been provided as under:
- a. O&M expenses for the FY 2019-20 have been estimated based on escalation of 10% over expenses of FY 2018-19 mentioned in the instant Petition.
 - b. In the O&M expenses of the FY 2019-20, additional Rs. 3 Crores to be incurred on leasing of additional floor in the Nehru Place to meet the requirement of additional space for POSOCO Corporate office have also been factored in. Lots of functions related to HR and Finance which were earlier being handled by the erstwhile holding company are now being done by POSOCO itself. This has created the requirement of leasing of additional space for the POSOCO Corporate Office.
 - c. POSOCO, while filing the IA no. 26/IA/2019 in Petition No. 344/MP/2018 had inadvertently shown expenses of Rs. 3 Crores towards direct corporate leasing of the accommodation for the employees posted in WRLDC Mumbai under O&M expenses in the FY 2019-20. These expenses will be part of the HR expenses. Therefore, this may not be considered under the O&M expenses of FY 2019-20.

Analysis and Decision

45. We have considered the submissions of the Petitioner and carefully perused the records. No submission has been filed by any Respondent despite notice given to them. Based on the submissions of the Petitioner and the documents available on record, we hereby proceed to dispose of the prayers of the Petitioner.

Additional manpower requirements and impact on account of 3rd Pay revision



46. The Petitioner has submitted that NLDC and RLDCs, in their petitions for determination of Fee and Charges for 2014-19 period had requested to approve the effect of 3rd pay revision w.e.f. 01.01.2017 and additional manpower in view of the evolving functions and increasing additional responsibilities along with the annual charges in accordance with the provisions in the Fees and Charges Regulations, 2015.

47. Further to the submissions of the Petitioner at Para 9 & 10 on pre pages the Petitioner, while filing the fees and charges petitions for 2014-19, had submitted the details of manpower projections based on increased functions/ responsibilities and anticipated legal separation from PGCIL were submitted. The Commission has observed in “para 49” of the order dated 26th Dec 2016 passed in Petition No. 244/TT/2015 regarding the fees and charges for NLDC as follows:

“.....It appears that NLDC has not recruited the manpower commensurate with the projections made for the years 2015-16 and 2016-17....”

There were similar observations in all the RLDC Fees and Charges orders for 2014-19.

48. In this context Petitioner has submitted that POSOCO was a subsidiary of PGCIL prior to 3rd January 2017 and all manpower working in POSOCO were being recruited through PGCIL. Post legal separation, POSOCO has started recruitment on its own. Details of recruitment carried out till September 2018 and planned recruitment from July 2018 to March 2019 has been provided by the Petitioner in table at Para 11 of this Order. Actual manpower as on 31.3.2019 submitted vide affidavit dated 15.4.2019 is at table at Para 41 of this Order. The Petitioner has also stated that the shortfall is due to delay in joining by candidates, non-acceptance of our offer of appointment by candidates etc. Petitioner has stated that POSOCO has currently open advertisement for around 80 Executive Trainees. This also includes the shortfall from 2018-19 which has been carried forward to the next financial year. Recruitment for other vacancies is stated to be advertised shortly. The revised estimates of the year-wise effect of pay revision as submitted by petitioner vide affidavit dated 15.4.2019 is at Para 40 of this Order

49. The petitioner has claimed HR Expenses by considering increased number of



manpower and submitted the manpower projections based on increased functions/ responsibilities post legal separation of POSOCO. The petitioner has submitted that assignment of additional responsibilities in the areas of system operation, regulatory affairs, integration of renewable, WAMS project, SCADA up gradation, ancillary services etc. requires additional manpower. Petitioner has submitted that the recruitment of manpower has thus been carried out periodically and that gradual addition in manpower has been taking place and shortfall in the manpower is likely to be covered in the next financial year.

50. The proviso to Regulation 21(5) of the Fee and Charges Regulations, 2015 provides that:

“Provided that the human resource expenses from 1.1.2017 onwards shall be further rationalized after considering 50% increase in employee cost on account of pay revision of the employees of the Public-Sector Undertakings to arrive at the permissible human resource expenses for the year 2017-18 and 2018-19.”

The proviso to Regulation 21(7) of the Fee and Charges Regulations, 2015 stipulates that

“The cost of anticipated increase in the manpower of each year of control period shall also be considered after prudence check.”

Further, the presidential sanction for establishment of POSOCO provides that

“POSOCO’s revenue stream will be governed through fees and charges specified by the CERC as per Section 28(4) of the Electricity Act 2003. The strength of manpower required for effective functioning of RLDCs/ NLDC will be as approved by the CERC while specifying the fees and charges. The expenses of POSOCO through fees and charges so collected will be adequate to cover the functioning of the Company and there will be no dependence on Government funds.”

51. We have considered the submission of the Petitioner and we are of the view that POSOCO requires additional manpower to discharge the additional responsibilities post legal separation of POSOCO. Petitioner has stated that it has recruited the manpower



commensurate with the projections made for the year 2014-19 and further shortfall shall be covered by the Petitioner in next financial year. Regarding the implementation of pay revision effective 1st Jan 2017 as per the guidelines of Department of Public Enterprises (DPE), Petitioner has implemented wage revision in POSOCO for Executives w.e.f. from last quarter of FY 2016-17 i.e. 01.01.2017 to FY 2018-19, which has resulted into financial impact on Petitioner on account of 3rd Pay revision.

52. In exercise of provisions of "Power to Relax" under Regulations 35 of CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2015, we hereby approve the claim of the Petitioner regarding the impact of wage revision after implementation of 3rd pay revision w.e.f 1.1.2017 as mentioned at table titled as "Effect of Pay Revision submitted vide affidavit dated 15.4.2019" at Para 40 and also the additional manpower for the year 2014-19 as mentioned at table at Para 41 of this Order. We observe that as per Presidential directive quoted by Petitioner, the strength of manpower required for effective functioning of RLDCs/ NLDC will be as approved by the CERC, Hence, we direct petitioner to file an application for projected manpower for year 2019-24 along with application of fees and charges for 2019-24. However, we observe that Petitioner has already notified advertisement for 80 Executive Trainees. Keeping in view that advertisement has already been issued, to avoid delay in recruitment; we approve the additional manpower for which advertisement has already been issued as on date of issue of this Order. The above decisions are subject to true-up petition to be filed by the Petitioner.

Additional expenditure towards payment of certification linked incentive

53. The Fees and Charges Regulations, 2015 provides for fixed monthly incentive to the system operators with a valid basic and specialized level certification. The relevant extracts are quoted as below:

"30. Certification linked incentive to the employees of RLDCs and NLDC:

(1) The employees of Regional Load Despatch Centers and National Load Despatch Centre who acquire the certificate of basic level and specialist level in their respective areas of specialization and are deployed in system operation or market operation



shall be allowed a fixed incentive during the currency of such certificate period as per the following parameters:

S. No.	Certification Level	Fixed Incentive Amount (Amount in Rs) (Monthly)
1	Basic Level	5,000
2	Specialist Level	7500

(2) Certification linked incentive shall be in addition to the performance related incentive as specified in Regulation 29.”

54. The Petitioner has submitted that at the time of filing of petitions for approval of the annual charges of RLDCs and NLDC for the control period 2014-19, expenses for the payment of certification linked incentive were not specifically mentioned and therefore, were not covered in the Commission’s orders passed in December 2016 in these petitions. The estimated expenditure on this account has been provided by the Petitioner as given at table at Para 15 of this Order.

55. The Petitioner has requested to consider and allow the expenses to be made towards payment of Certification Linked Incentive from the contingency expenses (Regulation 24 of Fee and Charges Regulation, 2015). It has also prayed that recovery of the expenses on this account will be made from the Users along with the recovery of Annual Fees and Charges during the year 2018-19.

56. We have considered the submission of Petitioner and we are of the view that expenses claimed on account of Certification Linked Incentive as specified in Fees and Charges Regulations, 2015 are to be allowed in accordance with the Regulation 30 (Certification linked incentive to the employees of RLDCs and NLDC) for payment to certified system operators of NLDC/RLDCs. The Certification Linked Incentive shall be in addition to the performance related incentive as specified in Regulation 29(5) of Fees and Charges Regulations, 2015. The Petitioner is directed to recover the expenses towards



Certification Linked Incentive from the Users along with the recovery of Annual Fees and Charges.

Higher kitty for the Payment of Performance Related Pay computed in accordance with the DPE Guidelines.

57. Regulation 21 (1) of Fees and Charges Regulations, 2015 states as below:

.....Provided that performance related pay computed in accordance with DPE guidelines shall be met from the incentive allowed in accordance with sub-clause (5) of Regulation 29 of these Regulations.

Further, as per sub-clause (5) of Regulation 29 of Fees and Charges Regulations, 2015 states as below:

The RLDCs or NLDC, as the case may be, shall be allowed to recover incentive of 7% of annual charges for aggregate performance level of 85% for three years commencing from 1.4.2014 and for aggregate performance level of 90% from 1.4.2017. The incentive shall increase by 1% of annual charges for every 5% increase of performance level above 90%.

58. In line with the above provisions of the Regulations, Petitioner has requested for increased amount payable to the employees towards Performance Related Pay (PRP) computed in accordance with the Guidelines issued by the Department of Public Enterprises from time to time. The Commission has approved the Performance Linked Incentive (PLI)/Performance Related Pay (PRP) for the year FY 2014-15, FY 2015-16 and FY 2016-17 so far based on the petitions filed by RLDCs and NLDC. Recovery allowed has been between 7-9 % of the Annual Charges. The wage revision has been implemented for the Executives in POSOCO and for Non- executives, it is likely to be implemented. Subsequent to this wage revision, Performance Related Pay (PRP) component of the salary of the CPSEs employees has increased significantly. With the present quantum allowed in the Regulations (7-9% of the Annual Charges), there is going to be a substantial shortfall in the funds required to pay the Performance Related Pay computed in



accordance with the DPE Guidelines. Recoverable Performance Linked Incentive(PLI)/Performance Related Pay(PRP) amount as per the present provisions will be around Rs. 11.41 Crore (8% of Annual Revenue of NLDC/RLDCs for FY 2017-18 i.e. Rs.142.65 Crore) against the estimated requirement of Rs. 25 Crore for the FY 2017-18 i.e. only around 45-50% of the actual requirement. Similar shortfall will be there for the FY 2018-19 and onwards also.

59. The Petitioner has submitted that Ministry of Power had also desired suitable amendments/ modifications in the Regulations in order to quantify the kitty available to POSOCO for payment of PRP benefits to its employees. As per Wage Revision Guidelines issued by DPE, for companies like POSOCO, impact of wage revision including PRP would form part of revenue stream of the company. Relevant portion of the DPE Guidelines is as under:

Quote

"There are also certain CPSEs which have been formed as independent Government companies under a statute to perform a specific agenda/regulatory functions. The revenue stream of such CPSEs are not linked to profits from the open market in a competitive scenario but are governed through the fees & charges, as prescribed and amended from time to time by the Government. There is no budgetary support provided by the Government to such CPSEs. In consideration that the impact of the revised compensation structure (including Performance Related Pay) would supposedly form the part of revenue stream for such CPSEs, the affordability condition shall not be applicable to these CPSEs; however the implementation of same shall be subject to the approval of Administrative Ministry upon agreeing and ensuring to incorporate the impact of the revised compensation structure into revenue the stream."

60. The Petitioner has submitted that payment of PLI/ PRP depends upon the Company's performance on the targets prescribed in the Memorandum of Understanding (MoU) signed between the CPSE and Administrative Ministry. In case of POSOCO, MoU is signed with Ministry of Power. Performance against the targets set in the MoU is evaluated at the end of the year by DPE. In view of the above, Petitioner has requested to consider increasing the kitty available for payment of PRP computed in accordance with the DPE



Guidelines after meeting the targets set in the MoU of POSOCO from 7-9% to 17-20% of the Annual Charges for the FY 2017-18 and FY 2018-19.

61. We have considered the submission of Petitioner, Wage Revision Guidelines dated 03.08.2017 and dated 04.08.2017 issued by DPE, amendments/ modifications desired by Ministry of Power vide their letter dated 17th March 2016 and Memorandum of Understanding (MoU) signed between the CPSE and Administrative Ministry. As per Sub-clause (5) of Regulation 29 of the Fees and Charges Regulations, 2015, Petitioner is allowed to recover incentive of 7% of annual charges for aggregate performance level of 90% from 1.4.2017 and the incentive shall increase by 1% of annual charges for every 5% increase of performance level above 90% for FY 2017-18 and FY 2018-19. In view of the additional expenses incurred by the Petitioner on account of implementation of 3rd wage revision and additional manpower recruitment, Performance Related Pay (PRP) component of the salary of the CPSEs employees has increased. Accordingly, the present quantum allowed in the Regulations (7-9% of the Annual Charges), does not appear to be sufficient to pay the PRP computed in accordance with the DPE Guidelines. As per DPE Guidelines, impact of wage revision including PRP would form part of revenue stream of the company and Petitioner has to meet the performance against the targets set in the MoU signed with Ministry of Power (MoP). Also, Ministry of Power vide their letter no. 18/2/2015-PG dated 17th March 2016 had also desired suitable amendments/ modifications in the Regulations in order to quantify the kitty available to POSOCO for payment of PRP benefits to its employees.

62. In view of the above, in exercise of provisions of "Power to Relax" under Regulation 35 of Fees and Charges Regulations, 2015 we hereby relax Regulation 29(5) of Fees and Charges Regulations, 2015 and direct that RLDCs or NLDC, as the case may be, shall be allowed to recover incentive of 15% of annual charges post implementation of pay revision w.e.f 1.1.2017 subject to ceiling as per DPE Guidelines in place of 7%, keeping other provisions of Regulation 29(5) same. In case of shortfall as per DPE Guideline, the balance amount shall be paid from the LDCD fund.

Additional O&M expenses for the year 2018-19 to enable in meeting MoU targets.



63. Petitioner has submitted that the Commission while approving the Fees and Charges for the control period 2014-19 had approved the O&M expenses for NLDC and RLDCs in line with the provisions of the Regulation 20 of the Fees and Charges Regulations, 2015. O&M expenses for the control period 2014-19 were derived from the O&M expenses of the previous control period 2009-14 by applying the escalation factor of 5.72% for normalization and a further escalation factor of 7.79% to take the effect of compound annual growth rate, inflation rate, rationalization of O&M expenses and other factors, in accordance with the Regulations.

64. The Commission had also approved the charges incurred on account of engaging the consultants who would be providing services of specialized nature for reliable and secure grid operations. In accordance with the Commission's orders, these expenses are being met from the LDC Fund. While booking such expenses in the accounts of the POSOCO, these are booked under O&M expenses as per the standard accounting principles.

65. POSOCO has been legally separated from PGCIL and has become an independent company, wholly owned by the Govt. of India. Its Directors have joined the company and other staff, along with the fresh recruits in different streams, is also being inducted on regular basis. NLDC had been facing shortage of space and to cope up with this problem, additional space has been taken on lease for functioning of Corporate Centre of POSOCO. This additional space along with the associated office expenses has been stated to have contributed towards the increase in O&M expenses of the company, which exceeds the expenses approved by the Commission. Further, new recruitment at other RLDCs and NLDC is also stated to be contributing towards the increase in O&M expenses, which exceeds the expenses approved by the Commission. The comparison of the O&M expenses approved by the Commission with the actual expenses incurred has been provided by the Petitioner as at table at Para 22 of this Order.

66. Regulation 12 (4) of the RLDC Fees and Charges Regulations 2015, allows meeting the shortfall, if any, in the revenue expenditure from the LDC fund in the form of interest free advance, which is to be recouped from the expenditure allowed by the commission under the respective heads at the time of truing up.



67. POSOCO is required to sign a Memorandum of Understanding (MoU) with the Administrative Ministry, every year, in accordance with the Department of Public Enterprises (DPE) Guidelines issued in this regard from time to time. Targets are fixed in the MoU at the beginning of the financial year and the performance of the CPSE is evaluated at the end of the financial year vis-à-vis the targets fixed. Targets for CPSEs consist of financial and non-financial parameters carrying weight of 50:50.

68. As per the Regulations, 'Return on Equity', 'Depreciation' and 'Interest on Loan' components of the revenue stream are deposited into the Load Despatch Centre Development Fund (LDCD Fund) which is Regulatory Fund defined in the Regulations. The Commission while approving the Fees and Charges for the control period 2014-19 in December 2016, has not allowed these components of Revenue on the CAPEX being incurred from the LDC fund during this period. Accordingly, these components on additional capitalisation are not being booked under 'Revenue from Operations'.

69. The Petitioner has submitted that STOA income is also declining from the year 2014-15 onwards due to CERC orders reducing various fees forming part of this income. There has been a successive reduction of STOA charges for POSOCO due to the orders by the Commission, reducing various fees forming part of these charges.

70. We have considered the submissions of petitioner. Petitioner has explained reasons for increase in O&M charges in above paragraphs. In view of the above, in exercise of provisions of "Power to Relax" under Regulation 35 of Fees and Charges Regulations, 2015, we hereby allow the recovery of estimated O&M expenses for the year 2018-19 as mentioned in Para 22 of this order which would be subject to adjustment based on the truing up by the Commission at the end of control period. Recovery of the additional O&M Charges would be made from the Users.

IA 26/2019 – Prayer for Additional O&M and HR expenses for the year 2019-20

71. The Petitioner has submitted that the Commission in its orders on the aforementioned petitions of RLDCs and NLDC, while allowing the Fees and Charges



for the control period 2014-19, had granted liberty to NLDC and RLDCs to approach the Commission after implementation of the wage revision and on actual increase in manpower.

72. The Petitioner has submitted that Fees and Charges Regulations for the Control Period 2019-24 are yet to be notified by the Commission. After the Regulations for Control Period 2019-24 are notified, petitions will be filed by NLDC and RLDC with the Commission for determination of Fees and Charges within prescribed timelines (180 days in present Regulations). Thereafter, determination of Fees and Charges by the Commission may also take some time. Therefore, by the time orders are issued by the Commission allowing the Fees and Charges for the Control Period 2019-24, FY 2019-20 may be already over.

73. The Petitioner has submitted that as per present DPE Guidelines on MoU, draft MoU for the year 2019-20 is under approval at MoP for onwards submission to DPE. Like FY 2018-19, FY 2019-20 financial parameters also, will include profitability targets fixed by DPE. For POSOCO to make operating profit, considering the components of revenue stream of POSOCO, its revenue should be more than the expenses. Revenue for the FY 2019-20 will be based on the Fees and charges approved by the Commission for the FY 2018-19 whereas expense will be as per the actuals. HR and O&M expenses of POSOCO during FY 2019-20 will be higher than that proposed in petition no 344/MP/2018 for the FY 2018-19. Factors like general inflation, expanding functions, establishment of Corporate Centre, gradual addition of manpower etc. are responsible for the additional HR and O&M expenses in FY 2019-20. Therefore, additional HR and O&M expenses in the FY 2019-20 will drag the operating profit of the company to negative. Presently, as per Regulations, any shortfall in the revenue expenditure is allowed from LDCD Fund subject to truing up by the Commission at the end of control period 2014-19. Any under/over recovery of the expenses is allowed only after the truing up is carried out by the Commission. O&M and HR expenses for the FY 2019-20 have been estimated based on escalation of 10% over expenses of FY 2018-19 mentioned in the instant Petition. In the O&M expenses of the FY 2019-20, additional Rs. 3 Crores to be incurred to meet the requirement of additional space on lease for POSOCO Corporate office have also been factored in.



74. The Petitioner has submitted that to keep the company in positive operating profit so that financial targets in the draft MoU of the year 2019-20 are met and employees in the company remain motivated, it is requested to allow the recovery of increased estimated HR and O&M expenses for the FY 2019-20 which would be subject to recovery/refund based on the truing up by the Commission at the end of control period.

75. We have considered the submission of Petitioner in IA 26/2019. The Petition No. 344/MP/2018 has been filed as per the liberty granted by the Commission to the respective Petitioner in Petition No. 240/TT/2015 filed by NERLDC, 241/TT/2015 filed by WRLDC, 242/TT/2015 filed by SRLDC, 243/TT/2015 filed by NRLDC, 244/TT/2015 filed by NLDC and 245/TT/2015 filed by ERLDC to approach the Commission after implementation of the wage revision for CPSE employees and on actual increase in manpower. The relevant paragraph of Order has been extracted below in respect of Petition No. 240/TT/2015 filed by NERLDC:

“47. The petitioner has submitted that as per Regulation 21 of RLDC Fees Regulations HR Expenses are to be considered on normalized basis with further rationalization considering 50% increase in employee cost on account of pay revision. We have considered the submissions of the petitioner. The last pay revision of the employee of CPSE took place with effect from 1.1.2007. Pay revision of CPSE employees takes place after a gap of 10 years. However, the pay revision of the CPSE has not been notified as yet. Even though it is provided in the 2015 RLDC fee regulations to allow the HR expenses on account of pay revision with effect from 1.1.2017, the Commission is of the view that it would not be appropriate to allow the expenditure through fees and charges, which has not been crystallised on the date of order. Therefore, the claim of the petitioner for expenditure on account of wage revision has not been allowed. Liberty is granted to the petitioner to approach the Commission after implementation of the wage revision for CPSE employees.”

76. The above mentioned Petitions of 2015 were filed for the control period 2014-19 and the fees and charges were approved in the respective orders for control period 2014-19. Vide the IA 26/2019, Petitioner has prayed for approval of the additional O&M and HR expenses for the year 2019-20, which is beyond the control period 2014-19.



Therefore, we are not inclined to accept the prayer made in the said IA. The Commission has notified Fees and Charges Regulations for the Control Period 2019-24 on 5.4.2019. Accordingly, we are of the view that Petitioner should file the separate petition for the approval of the O&M and HR expenses for the year 2019-24. RLDCs shall continue to bill the Users based on the Fees and Charges approved by the Commission as on 31.3.2019 and as approved in this petition on provisional basis till the approval of Fees and Charges for the next control period.

77. Petition No. 344/MP/2018 along with IA 26/2019 is disposed of in terms of above.

sd/-
(I.S. Jha)
Member

sd/-
(Dr. M.K Iyer)
Member

sd/-
(P.K.Pujari)
Chairperson

