

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 519/TT/2014**

**Subject** : Truing up application under Regulation 5 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 read with Regulation 111 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for SRLDC Charges for the control period 1.4.2009 to 31.3.2014.

**Petitioner** : Southern Regional Load Dispatch Centre

**Respondents** : NTPC and 24 others

**Petition No. 522/TT/2014**

**Subject** : Truing up application under Regulation 5 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 read with Regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for WRLDC Charges for the control period 1.4.2009 to 31.3.2014.

**Petitioner** : Western Regional Load Despatch Centre

**Respondents** : MSEDCL and 50 others

**Petition No. 524/TT/2014**

**Subject** : Truing up application under Regulation 5 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 for NLDC Charges for the control period 1.4.2009 to 31.3.2014.

**Petitioner** : National Load Despatch Centre

**Respondents** : Uttar Pradesh Power Corporation Limited (UPPCL) and 176 others



### **Petition No. 525/TT/2014**

**Subject** : Truing up application under Regulation 5 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 read with Regulations 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for NRLDC Charges for the control period 1.4.2009 to 31.3.2014.

**Petitioner** : Northern Regional Load Despatch Centre

**Respondents** : UPPCL and 55 others

### **Petition No. 541/TT/2014**

**Subject** : Truing up application under Regulation 5 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 read with Regulations 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for NERLDC Charges for the control period 1.4.2009 to 31.3.2014.

**Petitioner** : North Eastern Regional Load Despatch Centre

**Respondents** : Assam Power distribution Company Limited and 18 others

### **Petition No. 542/TT/2014**

**Subject** : Truing up application under Regulation 5 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 read with Regulations 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for ERLDC Charges for the control period 1.4.2009 to 31.3.2014.

**Petitioner** : Eastern Regional Load Despatch Centre

**Respondents** : Bihar State Power Holding Co. Ltd. and 23 others

**Date of Hearing** : 31.3.2015

**Coram** : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member



**Parties present** : Shri R. Piplinia, NLDC  
Ms. Abiha Zaidi, NLDC  
Ms. Supriya Singh, NRLDC  
Shri Ashok Ranjan, POSOCO  
Shri R. Sutradhar, NERLDC  
Ms. Pragya Singh, NLDC and WRLDC  
Shri Manas Das, ERLDC  
Shri G. Chakraborty, ERLDC  
Shri Nishant Gupta, NTPC  
Shri V.K Aggarwal, POSOCO  
Shri M.K Gupta, POSOCO  
Ms. Jayantika Singh, POSOCO, NLDC, ERLDC, SRLDC and WRLDC

### **Record of Proceedings**

The representative of POSOCO submitted that the instant petitions have been filed by the RLDCs and NLDC under Regulation 5(2) of the Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009 (2009 Fees and Charges Regulations) for the truing up of fees and charges of the RLDCs and NLDC for the period of 2009-14. He submitted that the fees and charges for the NLDC, NRLDC, SRLDC, WRLDC, ERLDC and NERLDC for the period 2009-14 was approved vide orders dated 14.2.2011 in Petition No.83/2010, 11.3.2011 in Petition No.91/T/2011, 17.3.2011 in Petition No.94/2010, 11.3.2011 in Petition No.92/TT/2011, 8.3.2011 in Petition No.95/TT/2010 and 18.3.2011 in Petition No.100/TT/2010 respectively. He submitted that the actual expenditure incurred during the period 2009-14 is lower than the fees and charges allowed by the Commission for NRLDC, SRLDC, ERLDC and WRLDC and the variation is around 10 to 14%. In case of NERLDC, the actual expenditure incurred during the 2009-14 is more than the fees and charges recovered from the beneficiaries by 3.5%. In case of NLDC, the expenses have been apportioned to the Regions based on the demand met every year as per the data published by CEA. He submitted that the net truing up liability after FERV adjustments are ₹-2014.14 lakh, ₹247.11 lakh, ₹-2345.32 lakh, ₹-2127.31 lakh and ₹-4147.02 lakh for ERLDC, NERLDC, SRLDC, WRLDC and NRLDC respectively.

2. The representative of POSOCO requested the Commission to allow it to refund the excess amount of fees and charges recovered from the beneficiaries along with interest in one installment, within three months from the date of approval by the Commission, instead of the six installments as provided in 2009 Fees and Charges Regulations.

3. The Commission observed that RLDCs should have assessed the projected expenditure realistically while making the application for approval of fees and charges. The Commission asked the representative of POSOCO to explain non-utilisation of fees and charges approved by the Commission.

4. The representative of POSOCO submitted as under:-



(a) The orders approving the fees and charges were issued by the Commission in 2011, by which time considerable part of the control period was already over;

(b) Actual capital expenditure was mainly on account of integrated implementation of various SCADA/EMS projects for RLDCs and SLDCs which was incurred subsequent to the order dated 28.12.2011, in Petition No. 32/MP/2011, filed by PGCIL;

(c) During the tariff period there was a reduction of prices of the electronics items leading to an approximate variation of 30%;

(d) The CAPEX requirements are need based and lumpy in nature and that the Commission has recognized this requirement and allowed a faster depreciation rate so that replacement can be carried out in about seven years; and

(e) The approved capital expenditure also included WAMS and ERP project which have been taken up for implementation by PGCIL.

5. In response to the Commission's query regarding increased expenditure under some heads, the representative of POSOCO submitted that the increase in the O&M expenses was primarily on account of higher annual maintenance charges of SCADA. He submitted that the administrative and general expenses were more than the approved expenses due to increase in number of security personnel deployed and higher electricity charges. The representative of POSOCO further submitted that salaries and wages of employees were computed on the basis of 50% increase during 2007-08 and 2008-09 on account of pay revision whereas actual increase in the wages was much higher and this led to increased HR expenses.

6. Taking into consideration the submissions made by the RLDCs in the petitions and by the representative of POSOCO during the hearing, the Commission directed the petitioner to refund 95% of the refundable fees and charges as specified in the petition in case of NLDC, NRLDC, SRLDC, WRLDC and ERLDC along with interest in one installment within two months. The interest on refundable amount is to be worked out on yearly basis till the amount is refunded in one installment. However, in case of NERLDC, shortfall in fees and charges can be recovered after issue of final order.

7. The Commission directed the RLDCs and NLDC to submit the following information on affidavit with an advance copy to the beneficiaries by 15.5.2015:-

(i) Yearly details of actual capital expenditure from 01.04.2009 to 30.09.2010 and 01.10.2010 to 31.03.2014 duly certified by Auditor. The certificate should clearly indicate expenditure against the following elements:-

- (a) Freehold Land
- (b) Leasehold Land



- (c) Building & Other Civil Works
  - (d) Auxiliary Power System
  - (e) Office Furniture and furnishing (including Communication Equipment)
  - (f) Others
  - (g) IT Equipments (SCADA Hardware with Test Equipment & Spares)
  - (h) Software (IT Equipments).
- (ii) Auditor's Certificate indicating year wise MAT Rate/Corporate Tax Rate applicable during 2009-14 period pertaining to PGCIL/POSOCO, as the case may be.
  - (iii) Documentary proof for interest rate of IBRD II loan for the control period (Except in case of NERLDC).
  - (iv) Revised Form 4E (i.e Statement of Additional Capitalization after COD) strictly in the prescribed Format clearly mentioning the admitted capital cost against each assets.
  - (v) Revised Form 4F (i.e Statement of Capital Cost) dully filled up with all columns for all the year of control period, clearly mentioning the liability, IDC, IEDC components.
  - (vi) Reconcile the amount of additional capitalization as claimed in Form 4E (i.e. Statement of Additional capitalization after COD) with the Addition during the year as specified in Form 6B (i.e. Calculation of Depreciation rate).
  - (vii) Year wise figures of actual equity infused towards add-cap claimed.
  - (viii) Date wise details of actual drawl, if any, from the LDC Development Fund made during the control period, duly reconciled with year wise additional capitalization, along with allocation of these fund among concerned RLDC. Petitioner to also provide the details of LDC development fund utilized for revenue expenditure, if any.
  - (ix) Year wise details of the replacement or de-capitalisation of assets(Except in case of NRLDC and NERLDC):-
    - (a) Name of the Asset
    - (b) Date of put to use
    - (c) Date of replacement / De-cap.
    - (d) Gross block of the Asset
    - (e) Cumulative depreciation recovered up-to the date of replacement/De-cap.
  - (x) Computation of FERV clearly mentioning the exchange rate, date of exchange rate amount in foreign exchange, amount in INR and FERV, along with editable soft copy with computation link(Except in case of NERLDC).

8. The beneficiaries were directed to file their reply by 30.5.2015 and the RLDCs and NLDC to file rejoinder, if any, by 15.6.2015. The Commission directed to list the matter on 2.6.2015 for final hearing.

By order of the Commission

sd/-  
(T. Rout)  
Chief Legal

