

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 430/MP/2019

Coram:

Shri P.K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Date of Order: 25 .2.2021

In the matter of

Truing up application under sub-section (4) of section 28 of Electricity Act 2003 read with Regulation 8 of Central Electricity Regulatory Commission (Fees & charges of Regional Load Despatch Centre and other related matters) Regulations, 2015 for truing up of NLDC fees and charges for control period 2014-19.

And in the matter of

National Load Despatch Centre (NLDC)
Power System Operation Corporation of India Limited (POSOCO)
Registered Office: B-9, Qutub Institutional Area,
Katwaria Sarai, New Delhi- 110016

.... Petitioner

Versus

1. Chairman, UPPCL, Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14-Ashok Marg, Lucknow-226001
2. Principal Secretary, Power Development Department,
Government of J&K, Civil secretariat, Jammu, 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. CMD, Punjab State Transmission Corporation Limited,
PSEB Head Office, The Mall, Patiala-147 001
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 Limited,
Kumar House, Vidyut Bhawan, Shimla-171004
10. SE SLDC, Himachal Pradesh Load Society,
Totu, Shimla-171 011, Himachal Pradesh
11. Managing Director, Power Transmission Co. of Uttarakhand Limited,
7-B, Lane No-1, Vasant Vihar Enclave, Dehradun - 248 001.
12. Managing Director, Uttarakhand Power Corporation Limited,
Kanwli Road, Urja Bhawan, Dehradun-248001, Uttarakhand
13. Chief Engineer, Electricity Department,
UT Chandigarh, Sector 9-D, UT Chandigarh-160019
14. Chief Electrical Engineer, North Central Railway
General Manager Office, Subedarganj
Uttar Madhya Railway, Allahabad, UP- 211011.
15. The DGM, Electrical, National Fertilizers Limited,
District- Ropar, Naya Nangal 140124, Punjab
16. Chief General Manager, PGCIL Kurukshetra
(± 800 KV HVDC Inter Connector Project) V.P.O. Bhadson,
Opp Piccadily Sugar Mill, Tehsil INDRI, District Karnal-132117 (Haryana)
17. Senior DGM, PGCIL Bhiwadi HVDC (± 500 KV),
4th Km Mile Stone, Bhiwadi- Alwar Bye-Pass Road,
P.O. Khijuriwas, Distt. Alwar, (Rajasthan)-301018.
18. General Manage, PGCIL, Dadri HVDC (± 500 KV),
PO-Vidyut Nagar, Distt: Gautam Buddh Nagar (U.P.)-201008.
19. Senior GM, PGCIL, Agra HVDC Terminal 765/400/220 KV,
Sub-Station, 6 KM, Mile Stone, Shamshabad Road,
P.O. Shyamo, Agra-283125 (U.P.)
20. Senior DGM, PGCIL, Ballia HVDC (± 500 KV) Sub-Station,
Village & Post: Ibrahimpatti, (via Krihirapur), Tehsil: Belthra Road,
Distt: - Ballia (U.P.) Pin-221716.
21. General Manager, PGCIL Rihand HVDC Station,
Inside NTPC Rihand Plant Premises, P.O-Bijpur
Distt: Sonebhadra, (U.P.) Pin-231223.
22. General Manager, Singrauli Super Thermal Power Station,
NTPC, Shakti Nagar, UP-231222



23. General Manager, Singrauli Solar PV Power Project, NTPC, Shakti Nagar, UP-231222
 24. General Manager, Singrauli Small Hydro Power Project, NTPC, Shakti Nagar, UP-231222
 25. General Manager, Rihand Super Thermal Power Station-I, NTPC, Rihand Nagar, UP-231223
 26. General Manager, Rihand Super Thermal Power Station-II, NTPC, Rihand Nagar, UP-231223
 27. General Manager, Rihand Super Thermal Power Station-III, NTPC, Rihand Nagar, Dist- Sonbhadra, UP – 231223
 28. General Manager, Dadri, National Capital Power Project, Dadri Dhaulana Road, Distt. Gautam Buddh Nagar, UP-201008
 29. General Manager, Dadri – Stage - II, National Capital Power Project, NTPC, Dadri Dhaulana Road, Distt. Gautam Buddh Nagar, UP-201008
 30. General Manager, Firoz Gandhi Unchahar Thermal Power Project-I, NTPC, P.O. Unchahar, Distt. Raibareilly, UP-229406
 31. General Manager, Firoz Gandhi Unchahar Thermal Power Project-II, NTPC, P.O. Unchahar,,Distt. Raibareilly, UP-229406
 32. General Manager, Firoz Gandhi Unchahar Thermal Power Project-III, NTPC, P.O. Unchahar, Distt. Raibareilly, UP-229406
 33. General Manager, Firoz Gandhi Unchahar Thermal Power Project-IV, NTPC, P.O. Unchahar, Dist.: Raibareilly, UP-229406
 34. General Manager, Firoz Gandhi Unchahar Solar PV Power Project, NTPC, Unchahar, Distt. Raibareilly, UP
 35. General Manager, Dadri Gas Power Project, NTPC, Dhaulana Road, Distt. Gautam Buddh Nagar, UP-201008
 36. General Manager, Dadri Solar PV Power Project, NTPC, Dhaulana Road, Distt. Gautam Buddh Nagar, UP-201008
 37. General Manager, Auraiya Gas Power Project (Gas Fired, RLNG Fired, Liquid Fired), NTPC, Dibiyapur, Distt Etawah, UP-206244
 38. General Manager, Anta Gas Power Project (Gas Fired, RLNG Fired, Liquid Fired), NTPC, Distt. Baran, Rajasthan-325209
 39. General Manager, Koldam HPP, NTPC, Post- Barman, Dist- Bilaspur, Himachal Pradesh 174013
 40. Station Director, Narora Atomic Power Station, NPCIL, Narora, Distt. Bulandshahar, UP-202389
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41. Station Director, Rajasthan Atomic Power Station-B, NPCIL, Rawatbhata, PO- Anu Shakti Vihar, Kota, Rajasthan-323303
42. Station Director, Rajasthan Atomic Power Station-C, NPCIL, (RAPS-5&6) NPCIL Rawatbhata, PO-Anushakti Vihar, Kota, Rajasthan-323303
43. General Manager, Bairasiul Hydro Electric Project, NHPC Limited, Surangini, Distt. Chamba, HP-176317
44. General Manager, Salal Hydro Electric Project, NHPC Limited, Jyotipuram, Distt. Udhampur, J&K-182312
45. General Manager, Tanakpur Hydro Electric Project, NHPC Limited, Banbassa, Distt. Champawa, Uttrakhand-262310
46. General Manager, Chamera-I Hydro Electric Project, NHPC Limited, Khairi, Distt. Chamba, HP-176310
47. General Manager, Uri Hydro Electric Project, NHPC Limited, Mohra, Distt. Baramulla, J&K-193122
48. General Manager, Chamera-II Hydro Electric Project, NHPC Limited, Karian, Distt. Chamba, HP-176310
49. General Manager, Chamera-III Hydro Electric Project, NHPC Limited, Dharwala, Distt.- Chamba, HP-176311
50. General Manager, Dhauliganga Hydro Electric Project, NHPC Limited, Tapovan, Dharchula, Pithoragarh, Uttrakhand-262545
51. General Manager, Dulhasti Hydro Electric Project, NHPC Limited, Chenab Nagar, Distt. Kishtwar, J&K-182206
52. General Manager, Uri-II Hydro Electric Project, NHPC Limited, Nowpura, Distt. Baramulla, J&K-193123
53. General Manager, Parbati HE Project Stage-III, NHPC Limited, Behali, P.O- Larji Kullu 175122 Himachal Pradesh
54. Chief Engineer, Sewa-II Power Station, NHPC Limited, Mashke, post Bag no-2, P.O-Khari, Dist: Kathua, Jammu and Kashmir -176325
55. The Chief Engineer (Electrical), Kishanganga HEP, NHPC Limited, Office cum Residential colony, Kralpora, Distt: Bandipora, Jammu and Kashmir-193502
56. The General Managar, Parbati-II, HEP, NHPC Limited, E&M Complex, Sainj, Distt. Kullu 175134, Himachal Pradesh
57. General Manager, Naptha Jhakhri HEP, Satluj Jal Vidyut Nigam Limited, Power Project, Jhakri, Rampur, Distt. Shimla, HP-172201



58. General Manager, Rampur HEP, Satluj Jal Vidyut Nigam Limited, Power Project, Jhakri, Rampur, District. Shimla, HP-172201
59. General Manager, Tehri Hydro Development Corporation Ltd., Bhagirath Puram, Tehri, Uttrakhand-249001
60. General Manager, Koteswar HEP, THDCIL, Koteswarpuram, Post Office- Pokhari Tehri Garwal, Uttarakhand - 249146
61. General Manager, ADHPL, Village- Prini, PO -Jagat Sukh, Tehsil - Manali, District- Kullu (H.P) India.
62. General Manager, Indra Gandhi Super Thermal Power Project, APCPL, PO -Jharli, Tahsil Matanhail, Dist – Jhajjar, (Haryana)-124125
63. General Manager, Karcham Wangtoo HEP, Himachal Baspa Power Company Limited, Sholtu Colony, PO- Tapti, Dist-Kinnaur, -172104 (HP).
64. Director, Malana – II, Everest Power Pvt. Limited, Hall-A/ First Floor Plot No-143-144, Udyog Vihar, Phase -4, Gurgaon, Haryana 122015
65. Company Secretary, Shree Cement Thermal Power Project, Bangurnagar, Beawar, Dist -Ajmer, Rajasthan -305901
66. Company Secretary, Greenco Budhil HPS Limited, Plot No. 1367 Road No- 45, Jubilee Hills, Hyderabad- 500033
67. Project General Manager, Himachal Sorang Power Limited, D-7, Lane-I, Sector-I, New Shimla, Shimla, H.P.-171009.
68. Director (Power Regulation), Bhakra Power House, BBMB, SLDC Complex, 66 KV Substation, Industrial Area Phase-I, Madhya Marg, BBMB Chandigarh
69. Superintending Engineer, Dehar HEP, BBMB, PW, Solapper, Tehsil Sundernagar, District: Mandi Himachal Pradesh-175017
70. Superintending Engineer, Pong Power House Circle, Power wing BBMB Talwara, District: Hoshiarpur, Punjab 144216
71. General Manager, Sainj HEP, HPPCL, Larji, District - Kullu, Himachal Pradesh, 175122
72. Executive Director, PGCIL, NRTS-I, Power Grid Corporation of India Ltd., B-9, Qutab Institutional Area, New Delhi-110016.
73. Director, Operations, Powerlinks Transmission Limited, 10th Floor, DLF Tower-A, District Centre, Jasola, New Delhi-110044



74. Executive Director & CEO, Jaypee POWERGRID Limited,
F-Block, Sector -128 Noida- U.P
75. Director, Adani Transmission India Ltd, Business Development,
Adani Corporate House, 3rd Floor-South Wing,
Adani Shantigram, S G Highway, Ahmedabad 382 421, Gujarat.
76. Managing Director, Parbati Koldam Transmission Company Limited,
5th Floor, 1A, JMD Galleria, Sec-48, Sohna Road, Gurgaon, Haryana 122018.
77. General Manager, Indira Gandhi Super Thermal Power Project,
Aravali Power company Private Limited, P.O.: Jharli, District-Jhajjar
78. The Vice President, NRSS XXIX Transmission Limited,
F-1, Mira Corporate Suite, Ishwar Nagar, Mathura Road,
New Delhi – 110065.
79. The DIRECTOR, Patran Transmission Company Limited,
400/220 kV GIS Substation, Village-Banwala, Tehsil-Patran,
District: Patiala 147105 Punjab.
80. The Vice President, RAPP Transmission Company Limited,
F-1, Mira Corporate Suite, Ishwar Nagar, Mathura Road,
New Delhi – 110065
81. The Vice President, NRSS XXXI (B) Transmission Limited,
503, Windsor off CST Road, Kalina, Santacruz (E), Mumbai 400098
82. The Vice President, NRSS XXXVI Transmission Limited,
Essel Infra Projects Limited, 06th Floor, Plot No. 19, Film City,
Sec-16 A, Gautam Buddha Nagar, Noida U.P. – 201301
83. CEO, POWERGRID Unchahar Transmission Limited,
765/400/220 kV Substation, Village Chauferava,
Post & Dist Fatehpur, Uttar Pradesh, 212601
84. The CEO, POWERGRID KALA AMB Transmission Limited,
400/220 KV GIS Sub Station, Vill. Meerpur Kotla,
P.O. Trilokpu Tehsil. Nahan, District Sirmour 173030, Himachal Pradesh
85. The Vice President, Gurgaon Palwal Transmission Limited,
F-1, Mira Corporate Suite, Ishwar Nagar, Mathura Road,
New Delhi – 110065
86. Managing Director, CSPDCL,
PO - Sunder Nagar Chhattisgarh Raipur, Dangania 492013.
87. Managing Director, GUVNL, Sardar Patel Vidyut Bhavan
Race Course Gujarat Vadodara 390007.
88. Managing Director, MSEDCL,
Prakashgadh, 5th Floor, Bandra East,
Mumbai 400051, Maharashtra.



89. Managing Director, MP Power Management Co Limited, 3rd Floor, Block No 11, Shakti Bhavan, Rampur, Madhya Pradesh 482008
90. Chief Electrical Engineer, Goa Electricity Department, Government of Goa, 3rd Floor, Vidyut Bhavan, Panjim, Goa – 403001.
91. Secretary (Power), Electricity Department, UT of Daman & Diu, Sachivalaya, Daman & Diu Moti Daman 396210
92. Secretary (Power), UT of Dadra Nagar & Haveli, Secretariat, Electric Department, 66 kV Amla Road, Dadra Nagar & Haveli, Silvassa 396230
93. General Manager, Bhadravathi HVDC, Power Grid Corporation of India Limited, Sumthana Village, Bhadravathi (Tahsil), Bhadravathi, Chandrapur District, Maharashtra-442 902
94. General Manager, Vindhayachal HVDC, Power Grid Corporation of India Limited, P.O.Vindhyanagar, P.Box.No.12, Singrauli (District), Madhya Pradesh-486 885
95. Managing Director, Essar Steel India Limited, 27th KM, Surat Hazira Road, Gujarat Surat 394270
96. BARC FACILITY- Plant Superintendent, BARC-Nuclear Recycle Board (NRB), BARC, Tarapur, Mumbai – 401502, Maharashtra
97. Station Incharge, +/- 800 kV Champa HVDC Terminal, Power Grid Corporation of India Limited, Village: Taga, Tahsil: Akaltara, Janjgir-Champa, Chhattisgarh - 495668
98. General Manager, Korba STPS STG (I & II), NTPC Limited, P.O.: Vikas Bhavan, Jamnipali, Korba(District), Chhattisgarh- 495 450.
99. General Manager, VSTPS-STAGE-I, Vindhayachal STPS, NTPC Limited, P.O.: Vindhyanagar, Sidhi (District), Madhya Pradesh – 486 885
100. General Manager, VSTPS-STAGE-II, Vindhayachal STPS, NTPC Limited, P.O.: Vindhyanagar, Sidhi (Dist), Madhya Pradesh – 486 885
101. General Manager, VSTPS-STAGE-III, Vindhayachal STPS, NTPC Limited, P.O.: Vindhyanagar, Sidhi (Dist), Madhya Pradesh – 486 885



102. General Manager, Kawas Gas Power Project,
NTPC Limited, P.O. Aditya Nagar, Surat, Gujarat - 394 516
103. General Manager, Gandhar Gas Power Project,
NTPC Limited, P.O.: NTPC Township,
Bharuch (District), Gujarat- 392215
104. General Manager, SIPAT TPS Stg-II, NTPC Limited,
SIPAT, Chhattisgarh-495558.
105. Station Director, Nuclear Power Corporation of India Limited,
Kakrapara Atomic Power Station, PO - via Vyara,
District – Surat, Gujarat - 395651
106. Station Director, Tarapur Atomic Power Station 1&2,
Nuclear Power Corporation of India Limited, P.O. TAPP,
Thane District, Maharashtra- 401 504
107. Station Director, Tarapur Atomic Power Station 3&4,
Nuclear Power Corporation of India Limited, P.O.TAPP,
Thane District, Maharashtra- 401 504
108. Member (Power) , Narmada Control Authority,
Narmada Sadan, Sector -B, Scheme No 74,
Vijaynagar, Indore, Madhya Pradesh-452010 (Mobile: 9978934846)
109. Executive Director Jindal Power Ltd. Stg-I,
OP Jindal STPP, PO-Tamnar, Gjarghoda Tehsil,
District - Raigarh, Chhattisgarh - 496107
110. General Manager (Comml), LANCO Power Ltd,
Plot No - 397, phase -III, Udyog Vihar, Haryana Gurgaon 122016
111. General Manager, Korba STPS STG (III),
NTPC Ltd, P.O.Vikas Bhavan, Jamnipali,
Korba District, Chhattisgarh- 495 450.
112. General Manager, NTPC-SAIL Power Company Private Ltd,
Puranena Village, Bhilai
District - Durg,
Chhattisgarh 490021
113. General Manager, 2 X 135 MW Kasaipali Thermal Power Project,
ACB (India) Ltd. District – Korba, Chakabura, Chhattisgarh 495445
114. 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
115. General Manager, Bharat Aluminium Co. Limited,
Captive Power plant-II, BALCO Nagar Chhattisgarh Korba 495684
116. General Manager, SIPAT TPS Stg-I, NTPC Limited,
SIPAT, Chhattisgarh - 495558.



117. Executive Director, Costal Gujarat Power Limited, (CGPL-UMPP),
Tunda Vandh Road, Tunda, Village, Mundra,
Gujarat Kutch 370435
118. Executive Director, DCPD, OP Jindal STPP,
PO-Tamnar, Gjarhoda Tehsil, Chhattisgarh District - Raigarh, 496107
119. Executive Director, ESSAR POWER MP Limited,
Village Bandhora, Post- Karsualal, Tehsil- Mada,
Distt. Singrauli, Madhya Pradesh - 486886
120. Managing Director, Sasan Power Limited, Reliance Centre,
Near Parbhat Colony, Off Western Express Highway,
Santacruz (E), Mumbai 400055
121. General Manager, Mouda STPP Stage-I, NTPC Limited,
Mouda Ramtek Road, P.O.Mouda, Nagpur (District), Maharashtra
122. General Manager, VSTPS-STAGE-IV, Vindhayachal STPS,
National Thermal Power Corporation of India Limited,
P.O Vindhyanagar, Sidhi(District),Madhya Pradesh – 486 885
123. Executive Director, GMR Warora Energy Limited,
Plot No B-1, Mohabala MIDC Growth Center
Post Tehsil - Warora, Dist – Chandrapur, Maharashtra 442907
124. Managing Director, KSK Mahanadhi,
8-2-293/82/A/431/A, Road No 22 Jubilee Hills
Andhra Pradesh Hyderabad 500033
125. Managing Director, Korba West Power Co. Limited,
Village - Chhote Bhandar, P.O. - Bade Bhnadar,
Tehsil - Pussore, District - Raigarh, Chhattisgarh Raigarh 496100
126. Excecutive Director, DB Power, Village - Baradarha,
Post - Kanwali, Dist - Janjgir, Champa, Chhattisgarh
Baradarha 495695
127. Managing Director, Jaypee Nigrie Super Thermal Power Project,
Nigri District, Singrauli, Madhya Pradesh 486668
128. Executive Director Jindal Power Ltd. Stg-II, OP Jindal STPP,
PO-Tamnar, Gjarhoda Tehsil, Chhattisgarh District - Raigarh, 496107
129. Executive Director, DGEN Mega Power Project,
Plot No Z-9, Dahej SEZ Area (Eastern side), At: Dahej,
Taluka-Vagra, Dist-Bharuch, Gujarat 392130
130. Head (Commercial), GMR Chhattisgarh Energy Limited,
Skip House, 25/1, Museum Road, Karnataka, Bangalore-560025
131. Head (Commercial), Dhariwal Infrastructure Limited, CESC House,
Chowrangi Square, Kolkata – 700001



132. Chief General Manager, RKM Powergen Pvt. Limited,
Village: Uchpinda, PO: Dhurkot, District: Janjgir-Champa,
Chhattisgarh -495692
133. CEO, MB Power (Madhya Pradesh) Limited,
Corporate Office: 239, Okhla Industrial Estate Phase-III,
New Delhi- 110020 (Tel: 011-47624100)
134. Head (Commercial), Jhabua Power Limited,
Village – Barrella, Post – Attaria,
Tahsil –Ghansor, District – Seoni, Madhya Pradesh – 480997
135. General Manager, VSTPS-STAGE-V, Vindhayachal STPS,
National Thermal Power Corporation of India Limited,
P.O Vindhyanagar, Sidhi (District),
Madhya Pradesh – 486 885
136. General Manager, Mouda STPP Stage-II, NTPC Limited,
Mouda Ramtek Road, P.O.Mouda, Nagpur (District),
Maharashtra
137. Head (Commercial), SKS Power Generation Chhattisgarh Limited,
501B, Elegant Business Park, Andheri Kurla Road,
J B Nagar, Andheri (East), Mumbai – 400059
138. Sr. Vice President (Power), M/s. TRN Energy Pvt. Limited,
18, Vasant Enclave, Rao Tula ram Marg,
New Delhi-110057
139. Station-In-charge, NTPC Limited, LARA STPP,
Village-Chhappora, P.O. + P.S.- Pussora,
Raigarh, Chattisgarh-496001
140. General Manager/ Plant Head, NTPC Limited,
Solapur Super Thermal Power Station, PO: Hotgi Station,
Taluka: South Solapur, District: Solapur, Maharashtra-413003.
141. 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
142. Station-In-charge, NTPC Limited, Gadawara STPP,
Village-Dongargaon, PO: Gangai, Tehsil- Gadawara,
District-Narsinghpur, Madhya Pradesh
143. Mahindra Renewables Pvt Limited, RUMS,
Deputy Manager, Mahindra Towers, Dr. G.M Bhosale Marg,
P.K Kurne Chowk, Worli, Mumbai-400018
144. Arinsun Clean Energy Pvt Limited, RUMS,
Construction Manager, Unit-3, ACEPL, Rewa Ultra Mega Solar Plant,
Gurh Tehsil, District Rewa, MP- 486553



145. Senior Manager, ACME Jaipur Solar Power Pvt Limited,
RUMS, Plot No 152, Sector-44,
Gurgaon-122002, Haryana
146. Sr. Manager, OSTRO Kutch Wind Pvt. Limited,
Unit No G-0, Mira Corporate Suites,1&2 Iswar Industrial Estate,
Mathura Road, New Delhi-110065
147. General Manager, Power Grid Corporation of India Limited,
Western Region - I Headquarters, PO - Uppalwadi,
Sampritinagar, Nagpur, Maharashtra - 440026
148. Executive Director, Torrent Power Grid Limited,
Torrent House, off Ashram Road,
Ahmedabad 380009, Gujarat
149. General Manager, Western Transco Power Limited,
601, 6th Floor, Hallmark Business Plaza,
Opposite Gurunanak Hospital,
Bandra(E), Mumbai-51
150. General Manager, Western Transmission Gujarat Limited,
601,6th Floor,Hallmark Business Plaza,
Opposite Gurunanak Hospital, Bandra(E), Mumbai-51
151. Executive Director, Jindal Power Limited, OP Jindal STPP,
OP Jindal STPS, PO- Tamnar,
District - Raigarh, Chhattisgarh-496107
152. Managing Director, Essar Power Transmission Co. Limited,
27 Km Surat Hazira Road, Surat
Gujarat -394270
153. General Manager (Comml), Adani Power Limited,
Achalraj, Opposite Mayor Bungalow, Law Garden,
Ahmedabad, Gujarat - 380006
154. Head (Commercial), Raichur Solapur Power Transmission Company Limited,
Patel Estate, SV Road, Jogeshwari West,
Mumbai 400102
155. Head (Commercial), Bhopal Dhule Transmission Company Limited,
Sterlite Grid Ltd. 634 Tulip, New Minal Presidency,
J K Road, Ayodhya Bypass, Madhya Pradesh Bhopal 462023
156. Head (Commercial), Jabalpur Transmission Company Limited (JTCL)
Sterlite Grid Ltd. 634 Tulip, New Minal Presidency,
J K Road, Ayodhya Bypass, Madhya Pradesh Bhopal 462023
157. RAPP Transmission Company, Sterlite Grid Limited,
634 Tulip, New Minal Presidency, J K Road, Ayodhya Bypass,
Madhya Pradesh Bhopal 462023



158. Powergrid Warora Transmission Limited, (PWTL), CEO,
Sampriti Nagar, Nari Ring Road,
Nagpur, Maharashtra- 440026
 159. General Manager, Chhattisgarh-WR Transmission Limited (CWRTL),
8A, Sambhav House, Judges Bungalow Road,
Bodakdev Ahmedabad, Gujarat- 380015
 160. CEO, Powergrid Parli Transmission Limited,
Sampriti Nagar, Nari Ring Road,
Nagpur, Maharashtra- 440026
 161. 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
 162. Sipat Transmission Limited, 8A,
Sambhav House Judges Bungalow Road, Bodakdev
Ahmedabad – 380015, Gujarat
 163. Power Grid-Jabalpur Transmission Limited,
Powergrid Corporation of India Limited, WR-II, Head Quarter,
Sama Savli Road, Opp. Ambe School, Gujarat Vadodara 390008.
 164. Chairman, Bihar State Holding Co. Limited, Vidyut Bhavan,
Bailey Road, Patna, Bihar 800021
 165. Chairman, Jharkhand Urja Vikash Nigam Limited,
Dhurwa Road, Ranchi, Jharkhand 834002
 166. Chairman, Damodar Valley Corporation, DVC Tower,
VIP Road, Kolkata, WB 700054
 167. Chairman, Grid Corporation of India Limited,
Janpath, Bhubaneswar, Odisha 751022
 168. Secretary, Power Department,
Government of Sikkim,
Kaji Road Sikkim Gangtok 731101
 169. Chairman, West Bengal State Electricity Distribution Corporation Limited,
Bidyut Bhavan, Salt lake,
Kolkata WB 700091
 170. Executive Director, ERTS – I, Power Grid Corporation of India Limited,
Board Colony, Shastri Nagar,
Patna-800023
 171. Addl. General Manager, NTPC Vidyut Vyapar Nigam Limited,
Lodhi Road, New Delhi 110003.
 172. The DGM (Commercial), Power Grid Corporation of India Limited, RHQ,
ERTS-II, CF-17, Action Area-1C, New Town,
-



- Kolkata 700156, West Bengal.
173. General Manager, Farakka Super Thermal Power Plant-I&II, NTPC Limited, Farakka, WB 742236
 174. General Manager, Kahalgaon Super Thermal Power Plant-I NTPC Limited, Bhagalpur, Bihar 813214
 175. General Manager, Kahalgaon Super Thermal Power Plant-II NTPC Ltd, Bhagalpur, Bihar 813214
 176. Executive Director, Talcher Super Thermal Power Stn-I NTPC Limited, Nayapalli, Odisha 751012
 177. Chief Engineer (Elect), Teesta V HEP, NHPC, Singtam, East Sikkim 737134
 178. Chief Engineer, Rangit Hydro Electric Project NHPC, P.O. Rangit Nagar South Sikkim 737111
 179. Chairman, Damodar Valley Corporation, DVC Tower, VIP Road, West Bengal, Kolkata 700054
 180. General Manager, Farakka Super Thermal Power Plant-III, NTPC Limited, Farakka, WB 742236
 181. CEO, Maithon Power Limited MA-5 Gogna Colony, P.O: Maithon, Dhanbad, Jharkhand 828027
 182. Additional General Manager, National Thermal Power Corporation Limited, BARH Thermal Power Station, Patna, Bihar 803213
 183. President & Director - Projects, GATI Infrastructure Pvt. Limited, 268, Udyog Vihar, Phase-IV, Gurgaon, Haryana 122001
 184. DGM (Electrical), Adhunik Power & Natural Resource Limited Village: Padampur, PS: Kandra Tata-Seraikela Road, Jharkhand 832105.
 185. Addl. General Manager(Commercial), Talcher Solar PV, ER-II Headquaters, NTPC Limited, 3rd Floor, OLIC Building, Plot No.: N-17/2, Nayapalli, Bhubaneswar 751012, Odhissa,
 186. GM (Power Sales & Regulatory), GMR Kamalanga Energy Limited, Plot No.-29, Satyanagar, Bhubaneswar, Odissa-751007.
 187. Head Power & Sales, Jindal India Thermal Power Limited, Plot No.12, Local Shopping Complex, Sector-B1,Vasant Kunj, New Delhi- 110070.
 188. Head Commercial, Tata Power Trading Co. Limited, C-43,Sec-62, UP Noida 201307.



189. Sr. General Manager (PP), Grid Corporation of India Limited, Janpath, Orissa, Bhubaneswar 751022.
190. AGM, Dans Energy Pvt. Limited, 5th Floor, DLF Building No. 8, Tower C, DLF Cyber City, Phase – II, Gurgaon- 122002, Haryana.
191. The General Manager (O&M), Bharatiya Rail Bijlee Company Limited, Nabinagar, Khera Police Station Dist.-Aurangabad, Bihar-824303.
192. Sr.Vice President (O&M),Teesta Urja Limited, (Teesta -III HEP) Vijaya Building, 2nd Floor, 17 Barakhamba Road, New Delhi 110001.
193. VP (Commercial),Sneha Kinetic Power ,Project Private Limited, 1366, Road no.45, Jubilee Hills, Hyderabad 500033,Telangana.
194. President –Technical, Shiga Energy Private Limited, 5th Floor, DLF Building No.8, Tower C, Phase-II, Gurgaon 122002,Haryana.
195. GM(C&RA),OPGC, Zone-A,7th Floor, Fortuna Towers, Chandrashekharapur, Bhubanneswar 751023,Odisha.
196. General Manager (O&M),Darlipali Super Thermal Power Project NTPC Limited, Odisha Darlipali, Sundergarh 770072 .
197. AGM (EEMG), Nabinagar Power Generation Corporation Limited, NPGC Nabinagar, Bihar Aurangabad 831014
198. Chairman, East North Interconnection Company Limited, C-2, Mathura Road, New Delhi 110065
199. Executive Director, ER-I, Power Grid Corporation (I) Limited, Board Colony, Shastri Nagar, Patna- 800023.
200. General Manager, Powerlinks Transmission Limited, Vidyut Nagar, Siliguri WB 734015.
201. Head- Asset Management/ O&M, Purulia & Kharagpur Transmission Comp. Limited, 634A-Tulip New Minal Residency,J.K Road Near Ayodhya Bypass Road, Bhopal-462023.
202. Sr.Vice President, Teestavalley Power Transmission Limited, Vijaya Building, 2nd Floor, 17 Barakhamba Road, New Delhi -110001.
203. Project Director, Odisha Generation Phase-II Transmission Limited, F-1 Mira Corporate Suites, 1&2 Ishwar Nagar, Okhla Crossing, Mathura Road, New Delhi—110065.



204. The CEO, Alipurduar Transmission Limited,
Flat No S-2, North View Apartment, Sarbapally Road,
Ward No-42, SMC 2 ½ Mile Sevak Road,
PO-Salugara, Siliguri, WB-734008
205. The General Manager, Darbhanga-Motihari Transmission Co. Limited,
A-26/03, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi 110044.
206. Chairman cum Managing Director, APTRANSCO,
Vidyut Soudha, Gunadala, Vijayawada 520 004, Andhra Pradesh.
207. Chairman cum Managing Director, TSTRANSCO,
Vidyut Soudha, Hyderabad 500 082, Telangana
208. Managing Director, PCKL,
KPTCL building, Cauvery Bhavan, Bangalore-560 009,
Karnataka
209. Chairman, KSEB,
Vaidyuthi Bhavanam, Pattom,
Trivandrum 695 004, Kerala
210. Chairman, TNEB,
144, Anna Salai, Chennai 600 002, Tamil Nadu
211. Superintending Engineer, PUDUCHERRY ELEC. DEPT,
Electricity Dept. of Pondicherry, Pondicherry 605 001
212. Chief Engineer (Electrical), Goa Electricity Board,
Office of Chief Electrical Engineer (Electrical), Govt. of Goa,
Vidyuth Bhavan, 3rd Floor, Panaji, Goa 403 001
213. Executive Director, POWERGRID HVDC, PGCIL,
Southern Regional Transmission System – II, Near RTO Driving Test Track,
Singanayakanhalli, Yelahanka, Bangalore 560 064, Karnataka
214. Executive Director, RAMAGUNDAM STG I & II, NTPC,
RSTPS, Jyothi Nagar, Dist. Karim Nagar, Telangana - 505 215
215. Executive Director, RAMAGUNTAM STG III, NTPC,
RSTPS, Jyothi Nagar, Dist. Karim Nagar, Telangana - 505 215
216. Executive Director, SIMHADRI STG II, NTPC,
District - Vishakhapatnam, Simhadri – 531 020, Andhra Pradesh
217. Executive Director, SIMHADRI STG I, NTPC,
District - Vishakhapatnam, Simhadri – 531 020, Andhra Pradesh
218. Executive Director, NTPC, TALCHER STG II, NTPC,
Kaniha, Deepshikha - P.O, District – Angul 759 147, Orissa
219. General Manager (O&M), Kudgi STPP, NTPC,
T.K.Basavana Bagewadi, Bijapur Dist 586 121, Karnataka



220. Chief General Manager, NLC TPS II STG I,
Neyveli Lignite Corpn. Ltd, Thermal Power Station II,
Neyveli 607 801, Tamil Nadu
221. Chief General Manager, NLC TPS II STG II,
Neyveli Lignite Corpn. Ltd, Thermal Power Station II,
Neyveli 607 801, Tamil Nadu
222. Chief General Manager, NLC TPS I EXPANSION,
Neyveli Lignite Corpn. Ltd., Thermal Power Station I (Exp.),
Neyveli 607 801, Tamil Nadu
223. Chief General Manager, NLC TPS II EXPANSION,
Neyveli Lignite Corporation Limited, Thermal Power Station II (Expn.),
Neyveli 607 801, Tamil Nadu
224. Chief General Manager, New Neyveli Thermal Power Project,
Neyveli 607 807, Cuddalore Dist. Tamil Nadu
225. Station Director, MAPS, Nuclear Power Corpn. of India Limited,
Madras Atomic Power Station,
Kalpakkam 603 102, Tamil Nadu
226. Station Director, KGS UNITS 1&2, Nuclear Power Corpn. of India Limited,
Kaiga Generating Station, Kaiga 581 400,
Karwar, Karnataka
227. Station Director, KGS UNIT 3&4, Nuclear Power Corpn. of India Limited,
Kaiga Generating Station, Kaiga 581 400, Karwar, Karnataka
228. The Station Director, KNPP Unit-1, Kudankulam Nuclear Power Project,
Nuclear Power Corporation of India Limited, Kudankulam
Post, Radhapuram Taluk – 627 106, Tamil Nadu
229. The Station Director, KNPP Unit-2, Kudankulam Nuclear Power Project,
Nuclear Power Corporation of India Limited, Kudankulam
Post, Radhapuram Taluk – 627 106, Tamil Nadu
230. The Executive Director, NTPC Tamilnadu Energy Company Limited,
Vallur Thermal Power Project, Vellivoyalchavadi
Post, Poneri Taluck, Tiruvallur District, Chennai – 600 013, Tamil Nadu
231. The Executive Director, NLC Tamilnadu Power Limited,
2 * 500MW JV Thermal Power Project, Harbour Estate,
Tuticorin – 628 004, Tamil Nadu
232. Executive Director, LANCO KODAPALLI St II,
LANCO KONDAPALLI POWER PVT. Limited, Kondapalli,
Ibrahimpattanam Mandal, PIN 521 228, Telangana
233. Executive Director, LANCO KODAPALLI St III,
LANCO KONDAPALLI POWER PVT. Limited, Kondapalli,
Ibrahimpattanam Mandal, PIN 521 228, Telangana



234. The Chairman & Managing Director, Meenakshi Energy Pvt Limited,
(Phase I), 405, Saptagiri Towers, 1-10-75/1/1 to 6, Begumpet,
Secunderabad – 500 016, Telangana
235. The Chairman & Managing Director, Meenakshi Energy Pvt Limited,
(Phase II), 405, Saptagiri Towers, 1-10-75/1/1 to 6, Begumpet,
Secunderabad – 500 016, Telangana
236. The General Manager, Simhapuri Energy Limited,
Madhucon Greenlands, 6-3-866/2, 3rd Floor,
Begumpet, Hyderabad – 560 016, Telangana
237. The President & CEO, Coastal Energen Pvt Limited,
7th Floor, Buhari Towers, No. 4 Moores Road, Chennai 600 006, Tamil Nadu
238. The Chief Commercial Officer (CCO), Sembcorp Energy India Limited,
6-3-1090, A-Block, 5th Floor, T.S.R Towers, Raj Bhavan Road,
Somajiguda, Hyderabad 500082, Telangana
239. The AGM-Electrical, IL&FS Tamil Nadu Power Company Limited,
C. Pudhupettai (Post), Parangipettai (Via), Chidambaram (TK),
Cuddalore 608 502, Tamil Nadu
240. The Chief Commercial Officer (CCO), Sembcorp Energy India Limited,
6-3-1090, A-Block, 5th Floor, T.S.R Towers, Raj Bhavan Road,
Somajiguda, Hyderabad 500 082, Telangana
241. Associate Director-Business Development,
FRV Andhra Pradesh Solar Farm-I Pvt. Limited, Aria Tower - Unit 5 C,
5th Floor, JW Marriott Hotel, Aerocity Asset Area 4, Hospitality District,
Near Indira Gandhi International Airport, New Delhi 110 037
242. Associate Director-Business Development,
FRV Andhra Pradesh Solar Farm-II Pvt. Limited, Aria Tower - Unit 5 C,
5th Floor, JW Marriott Hotel, Aerocity Asset Area 4,
Hospitality District, Near Indira Gandhi International Airport,
New Delhi 110 037
243. General Manager, Azure Power thirty six private limited,
3rd floor, Asset 301-304, World mark 3, Aerocity, Delhi, 110037
244. Group Head Commercial, Tata Power Renewable Energy Limited,
2nd Floor, Block B, Corporate Centre, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai 400 009
245. The Manager, ACME Karnal Solar Power Pvt. Limited,
Plot No. 152, Sector-44,
Gurugram, Haryana 122 003
246. The Manager, ACME Bhiwadi Solar Power Pvt. Ltd.,
Plot No. 152, Sector-44, Gurugram, Haryana 122 003



247. The Manager, ACME Hisar Solar Power Pvt. Ltd.,
Plot No. 152, Sector-44, Gurugram,
Haryana 122 003
248. The GM (Commercial), NTPC
Ananthapuramu Ultra Mega Solar park,
Southern Region Head Quarters, NTPC Bhavan,
Kavadiguda Main Road, Secunderabad 500 080, Telangana
249. General Manager – Projects, Green Infra Renewable Energy Limited,
5th floor, Tower C, Building No.8, DLF Cyber city,
Gurugram, Haryana 22 002
250. Chief operating officer (Wind & Solar), Mytrah Energy (India) Energy Pvt Ltd,
8001, S NO 109 Q city, Nanakramguda, Gachibowli,
Hyderabad, Telangana -500032
251. The Assistant General Manager (Electrical),
Orange Sironj Wind Power Pvt Ltd, F-9, 1st Floor, Manish Plaza-1,
Plot No 7, MLU Sector-10, Dwarka, New Delhi- 110075
252. Executive Director, POWERGRID ISTS,
Southern Regional Transmission System – II,
Near RTO Driving Test Track, Singanayakanhalli,
Yelahanka, Bangalore – 560 064, Karnataka.
253. The Project In Charge, Raichur Sholapur Transmission Company Ltd.,
Patel Estates, S.V.Road, Jogeshwari (West),
Mumbai 400 102, Maharashtra
254. 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
255. The Project In Charge, Powergrid Vizag Transmission Ltd.
Vizag 400kV SS, Sector 10, Ukkanaguram,
Vishakapatnam 530 032, Andhra Pradesh
256. The CEO, Powergrid NM Transmission Ltd.,
SRTS - II, Near RTO Driving Track, Singanayakanahalli,
Yelahanka-Doddaballapur Road, Bengaluru 560 064, Karnataka
257. Head-O&M/Assets Management,
Maheswaram Transmission Co. Ltd., Tulip-634,
New Minal Residency, J.K.Road, Near Ayodhya Bypass,
Bhopal 462023, Madhya Pradesh
258. The Chief Executive Officer, POWERGRID
Southern Interconnector Transmission System Ltd,
6-6-8/32 & 395 E, Kavadiguda Main Road, Old Praga tools,
Secuderabad 500 080, Telangana



259. The Divisional Engineer (Technical),
Andhra Pradesh Solar Power Corporation Pvt. Ltd,
H.No. 6-3-856/A/3, Sadat Manzil Compound,
Neeraj Public School Lane, Opposite to Green Park Hotel,
Ameerpet, Hyderabad 500 016, Telangana
260. Chairman, APDCL,
Bijuli Bhavan, Paltan Bazar,
Guwahati- 781001
261. Chairman & Managing Director, MePDCL,
Meter Factory Area, Short Round Road,
Integrated Office Complex, Shillong- 793001
262. Chairman & Managing Director, TSECL,
Bidyut Bhavan, North Banamalipur,
Agartala- 799001.
263. Chief Engineer (W. Zone), Department of Power ,
Government of Arunachal Pradesh,
Bidyut Bhavan, Itanagar- 791111.
264. Engineer-in-Chief, P & E Department,
Government of Mizoram, Khatla,
Aizawl- 796001.
265. Chief Engineer (Power), Department of Power,
Government of Nagaland, Kohima- 797001.
266. Managing Director, MSPDCL,
3rd Floor, New Directorate Building, Near 2nd MR Gate,
Imphal – Dimapur Road, Imphal- 795001, Manipur
267. Additional General Manager, Power Grid Corporation of India Limited,
800 kV HVDC Converter Station, Biswanath Chariali,
Village- Niz Baghmari, P.O.- Burigang,
Assam-784176
268. General Manager, Doyang HEP, NEEPCO,
Wokha, Nagaland
269. General Manager, Ranganadi HEP, NEEPCO,
P.O. Ranganadi Project, District Subansiri,
Arunachal Pradesh-791121
270. General Manager, AGBPP, NEEPCO,
Kathalguri, Tinsukia, Assam-786191
271. General Manager, AGTCCP, NEEPCO,
Ramchandranagar, Agartala, Tripura-799008
272. General Manager, KHANDONG HEP, NEEPCO,
Umrangsoo, N.C.Hills, Assam



273. General Manager, KOPILI HEP, NEEPCO,
Umrangsoo, N.C.Hills, Assam
274. General Manager, KOPILI-2 HEP, NEEPCO,
Umrangsoo, N.C.Hills, Assam
275. General Manager, Pare HEP, NEEPCO,
Daimukh, Arunachal Pradesh-791112
276. Chief Engineer, NHPC Loktak HEP,
Leimatak-795124, Manipur
277. Managing Director, ONGC Tripura Power Company Ltd,
6th Floor, A Wing, IFCI Tower-61, Nehru Place, New Delhi-110019
278. AGM, NTPC Limited, BgTPP, Salakati (P),
District: Kokrajhar (BTAD), Assam-783369.
279. Executive Director, NERTS,
Power Grid Corporation of India Limited, Lapalang,
Shillong-793006, Meghalaya.
280. The Managing Director, North Eastern Transmission Company Ltd,
D-21, 3rd Floor-2C, 217 Corporate Park, DMRC Building,
Sector-21, Dwarka, 110077
281. Vice President-Corporate Affairs & BD, ENICL,
Sterlite Grid Limited, F-1, The Mira Corporate Suite,
Ishwar Nagar, Mathura Road, New Delhi- 110065. **...Respondent**

Parties present:

For Petitioner: Shri Shiv Kumar Sharma, NLDC
Shri Rakesh Kumar, NLDC
Shri Nishdeep Singh, NLDC
Shri Ankit Jain, NERLDC
Ms. Himani Dutta, NERLDC
Shri Venkateshan M, SRLDC
Shri Sunil Kumar Jaiswal, SRLDC
Shri Vivek Upadhyay, ERLDC
Shri Manas Das, ERLDC

For Respondent: Shri S. S. Raju, PGCIL
Shri B. K. Saxena, UPPCL

ORDER

The instant petition has been filed by National Load Despatch Centre (NLDC) under Regulation 8 of Central Electricity Regulatory Commission (Fees & Charges of Regional Load Despatch Centre and other related matters) Regulations, 2015



(hereinafter referred to as “the 2015 RLDC Fees Regulations”) for truing up of fees and charges of NLDC for the control period from 1.4.2014 to 31.3.2019.

2. The Petitioner has made the following prayers:

“1) Approve the charges for NLDC, as per para- 7 above, for control period 2014 to 2019.

2) Approve the recovery/refund of the under-recovered/over-recovered amount, if any, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year in six equal monthly instalments starting within three months from the date of the order issued by the Commission after the truing up exercise.

3) Pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”

3. The brief facts of the case are as follows:

(i) National Load Despatch Centre (NLDC) and the Regional Load Despatch Centres (RLDCs) are statutory bodies set up under Section 26 and Section 27 respectively of the Electricity Act, 2003. NLDC and the RLDCs are being operated by Power System Operation Corporation Limited (POSOCO), a Government of India undertaking, w.e.f. 1.10.2010 in accordance with the Gazette Notification dated 27.9.2010 and 19.12.2016 of Ministry of Power, Government of India.

(ii) 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 2015 RLDC Fees Regulations for determination of fees and charges of NLDC and RLDCs for the control period 2014-19.

(iii) The Commission vide order dated 14.2.2011 in Petition no. 83/2010, had approved the fee and charges of NLDC (POSOCO portion) based on the capital expenditure as on 1.4.2009 and projected Additional Capital Expenditure during 2009-14 period. Subsequently, the Commission, vide order dated 14.3.2016 in Petition No. 524/TT/2016, has approved the true-up fee and charges of NLDC (POSOCO portion) for the control period 2009-14.

(iv) In compliance to Regulation 6 of the 2015 RLDC Fees Regulations, NLDC had filed Petition No. 244/TT/2015 for determination of Fees and



Charges for 2014-19 period and the Commission vide order dated 26.12.2016 had accorded its approval to the fees and charges of NLDC.

(v) While approving the fees and charges for the control period 2014-19, in different petitions filed by NLDC and RLDCs, the Commission had not allowed the impact of 3rd wage revision. However, liberty was granted to NLDC and RLDCs to approach the Commission after implementation of the wage revision.

(vi) As POSOCO started functioning as an independent company from 3.1.2017, increased functions, recruitment of additional manpower and additional space requirements etc. resulted in considerable increase in the O&M expenses. POSOCO approached the Commission for, inter-alia, approval of additional expenses on account of wage revision and additional O&M expenses for the control period 2014-19 through Petition No. 344/MP/2018. The Commission, in its order dated 10.06.2019 in Petition No. 344/MP/2018 approved the additional expenses claimed by POSOCO.

(vii) In accordance with the Regulation 8(1) of the 2015 RLDC Fees Regulations, NLDC has filed the instant Petition for truing up of fees and charges for the control period 2014-19.

4. The summary of approved fee and charges as per Commission's order dated 26.12.2016 and 10.06.2019 in Petition No. 244/TT/2015 and Petition No. 344/MP/2018 respectively, for the control period 2014-19 is as under:

(₹ in lakh)

S.N.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	Depreciation	492.99	52.56	8.19	0.00	0.00	553.74
2	Interest on Loan	0.00	0.00	0.00	0.00	0.00	0.00
3	Return on Equity	149.08	148.17	147.28	104.57	61.87	610.97
4	O & M Expenses excluding Human Resource Expenses	559.79	595.22	625.58	589.61	526.26	2896.46
	Additional O&M expenses (Order dated 10.6.2019 in Petition No. 344/MP/2018)					1673.74	1673.74
	Sub-Total O&M	559.79	595.22	625.58	589.61	2200.00	4570.20
5	Human Resource Expenses	1519.22	1637.72	1765.50	1903.10	2051.60	8877.14
	Pay Revision (Order in Petition No. 344/MP/2018 dated 10.06.2019)	0	0	71.68	326.74	619.57	1017.99
	Certification Linked Incentive (Order in Petition No. 344/MP/2018 dated 10.06.2019)					132.30	132.30
	Sub-Total HR	1519.22	1637.72	1837.18	2229.84	2803.47	10027.43
	Total before order in Petition No. 344/MP/2018	2721.08	2433.67	2546.55	2597.28	2639.73	12938.31
	Total after order in Petition No. 344/MP/2018	2721.08	2433.67	2618.23	2924.02	5065.34	15762.34

5. The summary of fee and charges claimed by the Petitioner in the instant petition for the control period 2014-19 is given below:

(₹ in lakh)

S.N.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	Depreciation	492.99	44.42	13.20	0.00	0.00
2	Interest on Loan	0.00	0.00	0.00	0.00	0.00
3	Return on Equity	186.17	186.18	184.44	184.36	169.19
4	O & M Expenses	878.08	895.85	983.27	1532.59	2481.39
5	Human Resource Expenses	1488.45	1502.15	1640.42	2209.10	3088.66
	Total	3045.69	2628.60	2821.33	3926.05	5739.24

6. The Respondents are the generating companies, distribution companies, electricity departments and transmission licensees, which are availing services from the Petitioner.



7. The Petitioner has served the copy of the petition upon the respondents. The Respondent, UPPCL, has submitted reply to this petition vide affidavit dated 1.6.2020. The Petitioner has filed rejoinder vide affidavit dated 25.6.2020 in the matter. The issues raised by the Respondent UPPCL and replies submitted by the Petitioner have been discussed in the relevant paragraphs of this order.

8. The hearing in this matter was held on 29.5.2020 through video conferencing and the order was reserved. The Petitioner was directed to submit certain information during the hearing held on 29.5.2020 and the same was furnished by the Petitioner vide affidavit dated 23.6.2020.

9. This order has been issued after considering the main petition dated 28.10.2019, Petitioner's affidavits dated 16.3.2020, 23.6.2020 and 7.10.2020, reply of UPPCL vide affidavit dated 1.6.2020 and Petitioner's rejoinder vide affidavit dated 25.6.2020.

10. Having heard the representatives of the Petitioner present at the hearing and perused the material on record, we proceed to dispose of the petition.

TRUING-UP OF ANNUAL TRANSMISSION CHARGES OF 2014-19 TARIFF PERIOD

11. The Petitioner has submitted the information as required under the 2015 RLDC Fees Regulations for truing up of NLDC fees and charges for control period 2014-19. The NLDC fees and charges for control period 2014-19 has been trued up in the subsequent paragraphs.

Capital Cost

12. Regulation 9 of the 2015 RLDC Fees Regulations provides as under: -

"9. Computation of Capital Cost:



(1) *The capital cost as admitted by the Commission after prudence check, for each of the Regional Load Despatch Centre or NLDC, as the case may be, shall form the basis for determination of annual charges.*

(2) *The capital cost shall be computed by considering the following:*

(a) *The Capital cost as admitted by the Commission as on 1.4.2014 duly trued up by excluding liability, if any;*

(b) *Expenditure on account of additional capitalization and de-capitalization determined in accordance with the Regulation 10;*

(c) *The original capital cost of the fixed assets which has been replaced during control period shall be de-capitalized from the admitted capital cost from the respective date duly adjusting cumulative depreciation and cumulative repayment, if any;*

(d) *Interest during construction and incidental expenditure during construction;*

(e) *Any grant received from the Central or State Government or any statutory body or authority for execution of the project which does not carry any liability of repayment shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation;*

(3) *The Capital cost shall be admitted after prudence check which may include scrutiny of the reasonableness of the capital expenditure, financing plan, Interest During Construction (IDC), Incidental Expenditure During Construction (IEDC), financing charges, any gain or loss on account of Foreign Exchange Rate Variation (FERV), use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission:*

Provided further that interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds duly adjusting IDC on account of time over run if any;

Provided further that incidental expenditure during construction shall be computed after prudence check duly adjusting the IEDC on account of time over run if any, interest on deposits or advances, or any other receipts and liquidated damages recovered or recoverable corresponding to the delay.”

13. The capital cost of ₹2643.16 lakh as on 31.3.2014 was allowed vide order dated 14.3.2016 in Petition No. 524/TT/2014. Same capital cost of ₹2643.16 lakh was admitted by the Commission, vide order dated 26.12.2016 in Petition No. 244/TT/2015, as on 31.3.2014. Accordingly, the capital cost of ₹2643.16 lakh has been considered as opening capital cost as on 1.4.2014 for determination of fee and charges in accordance with the Regulation 9 of the 2015 RLDC Fee Regulations for truing up of NLDC fees and charges for 2014-19 control period.



Additional Capitalisation /De-Capitalisation

14. Regulation 10 of the 2015 RLDC Fees Regulations provides as under:

“10. Additional Capitalisation and De-Capitalization:

(1) The capital expenditure incurred or projected to be incurred for the assets already in service and the additional assets projected to be procured during tariff period may be admitted, in its discretion, by the Commission, subject to prudence check:

Provided that any expenditure for acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, heat convectors, mattresses, carpets etc. purchased during 2009-14 tariff period shall not be considered for additional capitalization for determination of fees and charges.

(2) In case of de-capitalisation of assets under the REPEX or otherwise, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset along with corresponding adjustment in equity, outstanding loan, cumulative repayment of loan and depreciation in the year such de- capitalisation takes place.”

Capital Expenditure (CAPEX) and Additional Replacement Expenditure (REPEX)

15. Regulation 5 of the 2015 RLDC Fees Regulations provides as under:

“5. Capital Expenditure (CAPEX) and Replacement Expenditure (REPEX)Plan:

(1) The Regional Load Despatch Centres and National Load Despatch Centre shall formulate the scheme for Capital Expenditure (CAPEX) and Replacement Expenditure (REPEX) for the control period duly approved by the Board of Power System Operation Company. The CAPEX and REPEX plan shall also include future costs to be incurred for the up-gradation, modernization, automation and expansion of infrastructure in addition to existing capital assets.

(2) The concerned Regional Load Despatch Centre and National Load Despatch Centre shall submit the following along with the petition for determination of fees and charges:

(a) the CAPEX for the control period of 2014-19 along with details of estimated expenses, reasonableness of capital cost, financing plan, interest during construction, use of efficient technology, upgradability/scalability of the technology and systems to accommodate the growing requirement of system operation and estimated completion period of each scheme ;

(b) the REPEX plan for capital expenditure of existing asset, completion of life of existing asset, cumulative depreciation recovered, date of replacement, cumulative repayment of loan up to date of replacement, writing off of the gross value of the original assets from the original fixed assets along with estimated expenses, reasonableness of capital cost, financing plan, interest during construction, use of efficient technology, upgradability/scalability of the technology and systems to accommodate the growing requirement of system operation and estimated completion period of each scheme.



(3) In relation to any consolidated schemes of CAPEX and REPEX involving one or more RLDCs and/or NLDC, the capital expenditure chargeable to each RLDC and NLDC shall be segregated and considered as a part of capital expenditure of RLDC concerned and NLDC, as the case may be.”

16. CAPEX and REPEX plans were approved (subject to true up) vide paragraph 18 of the order dated 26.12.2016 in Petition No. 244/TT/2015 for the purpose of capitalisation in accordance with Regulation 5 read with Regulation 10 of the 2015 RLDC Fees Regulations. The same are as given below:

CAPEX Plan:

(₹ in lakh)

S.N.	Expenditure Head	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	Hardware	17.49	261.00	15.00	10.00	10.00	313.49
2	Software	95.37	374.00	242.00	70.00	10.00	791.37
3	Civil Works	0.00	0.00	20.00	10.00	2000.00	2930.00
4	Air Conditioning System	3.50	5.00	10.00	10.00	0.00	28.50
5	Other infrastructure	3.50	19.00	0.00	0.00	0.00	22.50
	Total	119.86	659.00	287.00	100.00	2020.00	3185.86

REPEX Plan:

(₹ in lakh)

S.N.	Expenditure Head	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	Hardware	0.00	0.00	0.00	756.00	0.00	756.00
2	Software	0.00	0.00	0.00	912.00	0.00	912.00
3	Civil Works	0.00	0.00	0.00	0.00	0.00	0.00
4	Air Conditioning System	0.00	0.00	0.00	0.00	0.00	0.00
5	Other infrastructure	0.00	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	1668.00	0.00	1668.00

17. The Petitioner has claimed the actual Additional Capital Expenditure for 2014-19 control period and has submitted the Auditor's certificate dated 18.10.2019 in support of the same. No expenditure under REPEX has been claimed by the Petitioner. Details of the Actual Capital Expenditure (CAPEX) are as follows:



(₹ in lakh)

S.N.	Asset Description	2014-	2015-	2016-	2017-	2018-	Total
1	Land Under Full Ownership (Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
2	Land (Lease)	0.00	0.00	0.00	0.00	0.00	0.00
3	Civil Works	0.00	11.65	0.00	0.00	0.00	11.65
4	Power Supply	0.00	0.00	0.00	0.00	6.08	6.08
5	Air Conditioning	4.30	0.35	1.64	3.63	1.76	11.68
6	SCADA Systems (Software)	1.03	0.00	0.00	0.00	0.00	1.03
7	SCADA Systems (Hardware)	0.00	0.00	0.00	56.04	9.38	65.42
8	Other Infrastructure, including equipment	16.35	62.08	9.39	19.24	12.96	120.02
9	Communication System	0.00	0.00	0.00	0.00	24.88	24.88
10	IT Systems (Hardware)	3.81	129.72	12.53	42.73	262.91	451.70
11	IT Systems (Software)	94.34	91.62	95.53	84.11	40.36	405.96
12	Any other Asset not covered under any of the Categories mentioned above	0.00	0.00	0.00	92.14	23.33	115.47
	Total	119.83	295.42	119.09	297.89	381.66	1213.89

18. Further, the Petitioner *vide* affidavit dated 7.10.2020 has submitted the cost break-up along with clarification of the aforementioned expenditure under heads of “Other Infrastructure, including equipment” and “Any other asset not covered under any of the Categories mentioned above”, which are as follows:

A) Year-wise breakup of claimed expenditure under head “Other Infrastructure, including equipment”

(₹ in lakh)

Description	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Video Conferencing System		54.02				54.02
Furniture like Chair, Table, Sofa Set, Book Case, Cabinet etc.	3.52	3.78	9.10	5.46	3.10	24.96
Digital Devices for Directors				6.31		6.31
LCD screens					5.38	5.38
CCTV system	4.88					4.88
Access Systems/Video Door Phone for NLDC control room	3.29					3.29
Office equipment like Refrigerator, Telephone sets, Water Dispensers, Paper Shredder machines etc.	4.66	4.28	0.29	7.47	4.49	21.19
Total	16.35	62.07	9.39	19.24	12.97	120.02



B) Year-wise breakup of claimed expenditure under head “any other Asset not covered under any of the Categories mentioned above”

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Vehicles for Board of Directors	-----	-----	-----	92.14	23.33	115.47

19. The Petitioner has submitted that the major deviation in the CAPEX is due to the following reasons:

(i) Replacement of SCADA system at an estimated cost of ₹1668 lakh in NLDC could not materialize in 2014-19 control period due to space constraints. Depending upon the availability of additional space, replacement of existing NLDC SCADA is likely to be completed by mid of the next control period 2019-24.

(ii) Provision for expansion of NLDC building was kept in the CAPEX at an estimated cost of ₹2000 lakh. However, the same could not materialize due to legal separation of POSOCO from the erstwhile holding company which presently owns the existing premises.

20. Regulations 6(5) and 10(1) of the 2015 RLDC Fees Regulations is reproduced below:

“6. Application for determination of fees and charges:

xxxx

(5) The concerned RLDC or NLDC, as the case may be, shall be allowed the fees and charges by the Commission based on the capital expenditure incurred as on 1.4.2014 and projected to be incurred during control period on the basis of CAPEX and REPEX duly certified by the auditor in accordance with these Regulations:

Provided that the application shall contain details of underlying assumptions and justification for the capital expenditure incurred and the expenditure proposed to be incurred in accordance with the CAPEX and REPEX.”

xxxx

10. Additional Capitalisation and De-Capitalization:

(1) The capital expenditure incurred or projected to be incurred for the assets already in service and the additional assets projected to be procured during tariff period may be admitted, in its discretion, by the Commission, subject to prudence check:

Provided that any expenditure for acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, heat convectors, mattresses, carpets etc. purchased during 2009-14 tariff



period shall not be considered for additional capitalization for determination of fees and charges.
xxxx”

21. Proviso to the Regulation 10(1) of the 2015 RLDC Fees Regulations provides that minor items or assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, heat convectors, mattresses, carpets etc. shall not be considered for capitalisation. We observe that the Petitioner has claimed furniture like chair, table, sofa set, book case, cabinet etc. amounting to Rs 24.96 lakh; office equipment like refrigerator, telephone sets, water dispensers, paper shredder machines etc. amounting to Rs 21.21 lakh; and air-conditioners with a value of Rs. 11.68 lakh for capitalisation. These being minor items or assets, we are not inclined to allow the capitalization of these assets in line with proviso to Regulation 10(1) of the 2015 RLDC Fees Regulations.

22. The Petitioner, *vide* affidavit dated 7.10.2020, has submitted the details under the heads ‘Other Infrastructure, including equipment’ and ‘any other Asset not covered under any of the categories mentioned above’, along with the Auditor’s Certificate. Accordingly, the expenditure under the heads ‘Other Infrastructure, including equipment’ and ‘any other Asset not covered under any of the categories mentioned above’, except for the minor items and assets, are allowed.

23. The Petitioner has submitted that it has incurred substantial amount in IT software during 2014-19. Further, there is an expenditure of ₹24.88 lakh during the year 2018-19 on communication system. These expenses being covered under provisions of Regulation 10(1) of the 2015 RLDC Fees Regulations, are allowed.

24. POSOCO was separated from Power Grid Corporation of India Ltd. (PGCIL) and started functioning as a separate company from 3.1.2017 thereby incurring substantial amount on its Board of Directors. Therefore, we allow actual capital



expenditure incurred on Board of Directors after separation of the POSOCO from PGCIL w.e.f. 3.1.2017.

25. Thus, the following trued-up additional capitalisation on account of CAPEX is approved in accordance with Regulation 5 read with Regulation 6(5) and Regulation 10(1) of the 2015 RLDC Fees Regulations for control period 2014-19:

(₹ in lakh)

S.N.	Asset Description	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
1	Land Under Full Ownership (Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
2	Land (Lease)	0.00	0.00	0.00	0.00	0.00	0.00
3	Civil Works	0.00	11.65	0.00	0.00	0.00	11.65
4	Power Supply	0.00	0.00	0.00	0.00	6.08	6.08
5	Air Conditioning	0.00	0.00	0.00	0.00	0.00	0.00
6	SCADA Systems (Software)	1.03	0.00	0.00	0.00	0.00	1.03
7	SCADA Systems (Hardware)	0.00	0.00	0.00	56.04	9.38	65.42
8	Other Infra-structure, including equipment	8.17	54.01	0.00	6.30	5.37	73.85
9	Communication System	0.00	0.00	0.00	0.00	24.88	24.88
10	IT Systems (Hardware)	3.81	129.72	12.53	42.73	262.91	451.70
11	IT Systems (Software)	94.34	91.62	95.53	84.11	40.36	405.96
12	Any other Asset not covered under any of the above mentioned Categories	0.00	0.00	0.00	92.14	23.33	115.47
	TOTAL	107.35	287.00	108.0	281.32	372.31	1155.98

26. The Commission vide order dated 26.12.2016 in Petition No. 244/TT/2015 had observed the following:

“19. The petitioner has submitted that the REPEX and CAPEX as claimed have been funded through LDC Fund. We have considered the submissions of the petitioner. It is observed from Form 4D, submitted by the petitioner along with the petition, that the loan portion (i.e. 70 %) of add-cap during 2014-19 period has been funded through LDC fund and equity portion (i.e. 30%) is notional equity, thus, there is 'NIL' actual equity. The expenditure on CAPEX and REPEX is allowed to be met from the LDC funds. The expenditure shall be reflected in the Books of NLDC. However, in terms of Regulation 12 (5) of the 2015 RLDC Fees Regulations the expenditure shall not earn any return on equity, interest on loan and depreciation.

Regulation 12(5) of the 2015 RLDC Fees Regulations provides as under:

Any asset created by the Power System Operation Company out of the money deposited into the LDCD Fund shall not be considered for computation of return on equity, interest on loan and depreciation on same principles as in case of grant. Power System Operation Company shall submit details of such assets in the CAPEX plan.



20. xxxxx

21. xxxxx

“22. In the instant case, the additional CAPEX and REPEX is proposed to be met from the LDC Fund and as such, additional capital expenditure claimed is not allowed for the purpose of computation of fee and charges as provided in Regulation 12(5) of the 2015 RLDC Fees Regulations.”

27. It is clear from the above that the Commission has already taken cognisance of the fact that the additional capitalization incurred by the Petitioner on account of CAPEX has been funded through LDC Fund. Accordingly, the said expenditure towards additional capitalization shall not be considered for the purpose of computation of Fees and Charges as per Regulation 12(5) of the 2015 RLDC Fees Regulations.

De-capitalisation

28. The details of de-capitalisation approved vide order dated 26.12.2016 in Petition No. 244/TT/2015 as provided under Regulation 10(2) of the 2015 RLDC Fees Regulations are as under:

(₹ in lakh)						
Description	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
IT equipments (SCADA Hardware with test equipment & Spares)	0.71	0.00	0.00	600.58	0.00	601.29
Software (IT Equipment)	0.00	31.50	0.00	913.62	0.00	945.12
Total	0.71	31.50	0.00	1514.20	0.00	1546.41

29. The details of the de-capitalization as per Form- 4D and as derived from Form-6B submitted by the Petitioner, is indicated below:

(₹ in lakh)						
Asset Description	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Scada Systems (Software)	-	29.41	-	-	-	29.41
Other Infrastructure, including equipment	-	10.16	-	0.85	10.07	21.08
IT Systems (Hardware)	0.66	9.25	-	1.44	14.89	26.24
Total De-capitalization	0.66	48.82	0.00	2.29	24.96	76.73



30. The Petitioner has submitted that CAPEX claimed by the Petitioner, has been funded through LDC Fund. This is clear from the Form-4D submitted with the petition that the loan portion (i.e. 70%) of additional capitalisation (negative in this case) during 2014-19 period has been funded through LDC Fund and equity portion (i.e. 30%) is notional equity, thereby meaning 'NIL' actual equity.

31. Further, Regulation 12(5) of the 2015 RLDC Fees Regulations, stipulates as below:

"Any asset created by the Power System Operation Company out of the money deposited into the LDCD Fund shall not be considered for computation of return on equity, interest on loan and depreciation on same principles as in case of grant. Power System Operation Company shall submit details of such assets in the CAPEX plan."

32. Keeping in view the above, additional capitalization, as claimed in the petition and discussed in paragraph 25 of this Order, is not being allowed for the purpose of fee & charges calculations. However, de-capitalization as indicated in table under paragraph 29 above has been carried out as per Regulation 10(2) of the 2015 RLDC Fee Regulations.

Debt-Equity Ratio

33. Regulation 11 of the 2015 RLDC Fee Regulations provide as under:-

"11. Debt-Equity Ratio:

(1) The actual debt-equity ratio as admitted by the Commission for the period ending 31.3.2014 shall be considered for the opening capital cost of each of the Regional Load Despatch Centres and National Load Despatch Centre, as the case may be.

(2) The capital expenditure incurred prior to 1.4.2014, where debt: equity ratio has not been determined by the Commission for determination of annual charges of RLDC for the period ending 31.3.2014, the Commission shall determine the debt-equity ratio in accordance with Regulation 9(2) of the Central Electricity Regulatory Commission (Fees and Charges for Regional Load Despatch Centres and other related matters) Regulations, 2009.

(3) For the capital expenditure incurred or projected to be incurred on or after 1.4.2014, the debt-equity ratio shall be considered as 70:30. If the equity actually

deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan: Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment;
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.

Explanation.-The premium, if any, raised by the power system operation company while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the RLDC."

34. The admitted debt-equity ratio of 70:30 has been considered as on 1.4.2014.

As no additional capital expenditure is being allowed during 2014-19 period, the debt-equity ratio as on 31.3.2019 remains the same (i.e. 70:30). The de-capitalisation has been carried out in the debt-equity ratio of 70:30. The details of the debt-equity as on 1.4.2014 considered for the purpose of true up of NLDC fee for the 2014-19 period is as follows:

Particular	(₹ in lakh)			
	Capital cost as on 1.4.2014		Capital cost as on 31.3.2019	
	Amount	%	Amount	%
Debt	1850.21	70.00	1796.50	70.00
Equity	792.95	30.00	769.93	30.00
Total	2643.16	100.00	2566.43	100.00

Return on Equity (ROE)

35. Regulation 17 of the 2015 RLDC Fee Regulations provides as under:

"17. Return on equity:

(1) Return on equity shall be computed in Rupee terms on the equity base determined in accordance with Regulation 11 of these regulations.

(2) Return on equity shall be computed on pre-tax base rate of 15.50% to be grossed up as per the sub-clause (3) of this regulation.

(3) The rate of return on equity shall be computed by grossing up the base rate with the effective tax rate of the financial year 2014-15 applicable to the Power System Operation Company :

Provided that the return on equity with respect to the actual tax rate applicable to the Power System Operation Company in line with the provisions of the relevant Finance Acts of the respective year during control period shall be trued up at the end of the control period.

(4) Rate of return on equity shall be rounded off to three decimal points and be computed as per the following formula :

Rate of pre-tax return on equity = Base rate/(1-t)

Where "t" is the effective tax rate in accordance with sub-clause (3)."

36. To arrive at the Effective Tax Percentage for the 2014-19 tariff period, the Petitioner was directed, vide ROP of hearing dated 29.5.2020, to submit the details of year-wise income tax returns filed and assessment order thereof. In response, the Petitioner vide affidavit dated 23.6.2020 has submitted copies of year-wise Income Tax returns from FY 2014-15 to 2018-19. The Petitioner also submitted the Assessment orders of POSOCO for FY 2014-15 and 2015-16, for which assessment by the Income Tax Department has been completed.

37. On the basis of submissions of the Petitioner, following effective tax rates based on actual Income Tax paid by the Petitioner are considered for the purpose of grossing up of rate of return on equity: -

Year	Effective tax (in %)	Grossed up ROE (Base Rate/1-t) (in %)
2014-15	33.990	23.481
2015-16	34.610	23.704
2016-17	34.610	23.704
2017-18	34.610	23.704
2018-19	29.120	21.868

38. Accordingly, ROE as trued up in accordance with the 2015 RLDC Fee Regulations is shown in the table below: -

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	792.95	792.75	778.10	778.10	777.42
Addition due to Additional Capitalization/ reduction due to de-capitalisation	-0.20	-14.65	0.00	-0.69	-7.49
Closing Equity	792.75	778.10	778.10	777.42	769.93
Average Equity	792.85	785.43	778.10	777.76	773.67
Return on Equity (Base Rate) %	15.50	15.50	15.50	15.50	15.50
Effective Tax rate %	33.990	34.610	34.610	34.610	29.120
Rate of Return on Equity	23.481	23.704	23.704	23.704	21.868



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
(Pre-tax) %					
Return on Equity (Pre-tax)	186.17	186.18	184.44	184.36	169.19

Interest on Loan (IOL)

39. The Petitioner has not claimed Interest on Loan component for 2014-19 period as the principal portion of the loan has been repaid fully.

Depreciation

40. Regulations 19(2) and 19(4) of 2015 RLDC Fee Regulations provide as under:-

"(2) The salvage value of the asset (excluding IT equipments and Software's) shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset. The salvage value for IT equipments and Softwares shall be considered as NIL and 100% value of the assets shall be considered as depreciable.

(3) xxxxx

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-III to these regulations for the assets of the Regional Load Despatch Centre."

41. The Petitioner has submitted that depreciation has been worked as per Regulation 19 of the 2015 RLDC Fee Regulations and the salvage value of assets, excluding IT Equipment and Software, have been considered as 10% and there is no salvage value for IT Equipment and Software. The Petitioner has further submitted that depreciation has been worked out as per the rates given in Appendix III of the 2015 RLDC Fee Regulations.

42. Depreciation has been calculated annually based on Straight Line Method and at rates specified in the 2015 RLDC Fee Regulations. Year-wise Weighted Average Rates of depreciation have been calculated by applying specified rates of depreciation to individual items and these weighted average rates of depreciation have been applied to the 90% depreciable assets and 100% depreciable assets. WAROD has been worked out (refer Annexure-1) after taking into account the



depreciation rates for IT equipment and software and also for the assets excluding IT equipment and software as prescribed in Appendix-III of the 2015 Fee Regulations. Following is the working of the depreciation for the instant assets/items:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	2643.16	2642.50	2593.68	2593.68	2591.39
Additional Capital expenditure/ reduction due to decapitalisation during 2009-14	-0.66	-48.82	0.00	-2.29	-24.96
Closing Gross Block	2642.50	2593.68	2593.68	2591.39	2566.43
Average Gross Block	2642.83	2618.09	2593.68	2592.54	2578.91
Average Gross Block of 90% Depreciable assets	730.95	725.87	720.79	720.37	714.91
Average Gross Block of 100% Depreciable assets	1911.88	1892.22	1872.89	1872.17	1864.01
Weighted Average Rate of Depreciation (%)	18.6540	18.6211	18.5871	18.5901	18.6275
Depreciable Value (excluding IT equipment and software)	657.86	653.28	648.71	648.33	643.41
Depreciable value of IT equipment and software	1911.88	1892.22	1872.89	1872.17	1864.01
Total Depreciable Value	2569.74	2545.50	2521.60	2520.50	2507.42
Remaining Depreciable Value	561.14	44.42	13.20	0.00	0.00
Depreciation	492.99	44.42	13.20	0.00	0.00
Cumulative Depreciation/ Advance against Depreciation	2501.09	2508.40	2521.60	2519.86	2500.89

Operation and Maintenance Expenses (O&M Expenses)

43. Regulation 20 of 2015 RLDC fee regulations provide as under: -

"20. Operation and Maintenance Expenses: -

(1) Operation and maintenance (O&M) expenses (excluding human resource expenses) shall be derived on the basis of actual operation and maintenance expenses for the years 2009-10 to 2013-14, based on the audited balance sheets. The O&M expenses shall be normalized by excluding abnormal operation and maintenance expenses, donation, loss-in-inventory, prior-period adjustments, claims and advances written-off, provisions, etc, if any, after prudence check by the Commission.

(2) The normalized operation and maintenance expenses, after prudence check, for the years 2009-10 to 2013-14, shall be escalated at the rate of 5.72% to arrive at the normalized operation and maintenance expenses at the 2013-14 price level respectively and then averaged to arrive at normalized average operation and maintenance expenses for the 2009-10 to 2013-14 at 2013-14 price level. The



average normalized operation and maintenance expenses of 2013-14 price level shall be escalated at the escalation rate as worked out in accordance with clause (4) of this Regulation to arrive the operation and maintenance expenses for the year 2014-15.

(3) The operation and maintenance expenses for the year 2014-15 shall be escalated further at the annual escalation rate as worked out in accordance with clause (4) this Regulation to arrive at permissible operation and maintenance expenses for the subsequent years of the control period.

(4) The escalation rate shall be worked out by considering the compounded annual growth rate, inflation rate, rationalization of O&M expenses and other factors, if any.

(5) The actual expenditure towards Annual Maintenance Contract (AMC) of SCADA system, after prudence check, shall be considered for arriving at the Operation and Maintenance Expenses during 2014-15 to 2018-19."

44. Summary of the O&M Expenses approved by the Commission vide order dated 26.12.2016 in Petition No. 244/TT/2015 and additional O&M expenses approved vide order dated 10.6.2019 in Petition No. 344/MP/2018, are as follows:

(₹ in lakh)

Items	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
O & M Expenses excluding Human Resource Expenses	559.79	595.22	625.58	589.61	526.26	2896.46
Additional O&M expenses (Order dated 10.6.2019 in Petition no. 344/MP/2018)	-	-	-	-	1673.74	1673.74
Sub-Total O&M	559.79	595.22	625.58	589.61	2200.00	4570.20

45. The actual O&M Expenses incurred and claimed by the Petitioner for period 2014-19 are as follows:

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
O&M Expenses excluding Human Resource Expenses	878.08	895.85	983.27	1532.59	2481.39	6771.18

46. The Petitioner has submitted that the actual expenditure incurred under O&M expenses is higher than the O&M expenses approved by the Commission. The Petitioner has submitted the reasons for increase in the actual expenses w.r.t. that approved by the Commission, as detailed below:

a) The Commission vide order dated 26.12.2016 in Petition No. 244/TT/2015 considered average of previous 5 years' actual normalized O&M

expenses to work out the O&M expenses for the 2014-19 control period. Based on this methodology, O&M expenses worked out for FY 2014-15 were even less than the actual expenses incurred during FY 2013-14.

b) POSOCO was separated from its erstwhile holding company, PGCIL w.e.f. 3.1.2017 and became an independent company, wholly owned by the Government of India. Its Board of Directors have joined the company and other staff along with the fresh recruits in different streams, are also being inducted on regular basis. Earlier both NLDC and its corporate centre were working from first floor of NLDC Office in Katwaria Sarai, New Delhi. As space at NLDC was not enough to meet the requirements of both the offices, corporate centre had to be established in a rented building. This hiring of additional office space along with the associated office expenses like security, electricity, parking, printing and stationary, communication, hiring of consultants 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) Further, human resource is the key asset for functioning of LDCs (load despatch centres). Capacity building is a major thrust area for sustainability and growth of LDCs as an institution. POSOCO, being a knowledge based Organization, has been actively involved in capacity building of its employees and this has also significantly contributed in the training and organizational development expenses.

d) SCADA/AMC Charges have been more than those estimated at the time of filing petition for approval of fees and charges for the period 2014-19.

e) Expenses on running of vehicles of Board of Directors and their travelling expenses, revision of TA/DA rates has also contributed in the higher travelling and vehicle hiring charges of the Petitioner.

f) There has also been rise in the watch and ward expenses due to increased security expenses.



47. The Respondent, UPPCL *vide* affidavit dated 1.6.2020 has submitted that O&M Expenses claimed in the instant Petition are higher by ₹2200.98 lakh in comparison to O&M expenses allowed by the Commission *vide* its order dated 26.12.2016 in Petition No. 244/TT/2015. The rise in O&M expenses have been attributed by the Petitioner to the methodology employed to work out these expenses, separation of POSOCO from PGCIL, corporate center established in a rented accommodation, increase in SCADA/ AMC charges, increased expenses on vehicle and travelling of Board of Directors of the Petitioner and expenditure on capacity building. UPPCL has submitted that the O&M expenses comprise of R&M (repair and maintenance) expenses and AG (administration and general) expenses, but the Petitioner has not provided the breakup of these expenses as approved by the Commission in its order dated 26.12.2016. Hence, it is difficult to analyze which part of O&M expense has increased during the said control period.

48. In response, the Petitioner *vide* affidavit dated 25.6.2020 has submitted that the reasons for increase in O&M expenses w.r.t. orders dated 26.12.2016 and 10.6.2019 in Petition No. 244/TT/2015 and Petition No. 344/MP/2018, respectively, have already been indicated in the Petition. Further, the Petitioner *vide* affidavit dated 7.10.2020 has submitted the head-wise details of the O&M expenses.

49. We have considered the submissions of the Petitioner and the Respondent UPPCL. We have also perused order dated 14.3.2016 in Petition No. 524/TT/2014, order dated 26.12.2016 in Petition No. 244/TT/2015 and order dated 10.6.2019 in Petition No. 344/MP/2018. We note the following:

- a) *Vide* order dated 26.12.2016 in Petition No. 244/TT/2015, average of previous 5 years' actual normalized O&M expenses were considered to work out the O&M expenses for the 2014-19 control period. Based on this

methodology, O&M expenses worked out for FY 2014-15 were less than the actual expenses incurred during FY 2013-14.

b) Hiring of additional office space along with the associated office expenses like security, electricity, parking, printing and stationary, communication, hiring of consultants etc. and general maintenance expenses has contributed mainly towards the increase in O&M expenses of the company.

c) Joining of Board of Directors, their travelling costs, hiring of fresh recruits and their training also increased the O&M costs.

Repair and Maintenance Expenses (R&M Expenses)

50. We observe that the allowed O&M expenses for year 2014-19 vs actual O&M expenses for year 2014-19 is as under:

	NLDC					
	2014-15	2015-16	2016-17	2017-18	2018-19	Total
O&M Allowed	559.79	595.22	625.58	589.61	526.26	2896.46
Allowed in Petition No. 344/MP/2018	0	0	0	0	1673.74	1673.74
Total	559.79	595.22	625.58	589.61	2200.00	4570.20
O&M claimed/ actual Auditor Certified	878.08	895.85	983.27	1532.59	2481.39	6771.18

51. From the above table, we observe that for 2014-15, the actual O&M expenses are approximately 57% higher than the approved expenses. Such variation continues for the years 2014-15 onwards since escalation rate is applied on 2014-15 expenses. We observe that the O&M expenses were allowed vide Order dated 26.12.2016 in Petition No. 244/TT/2015 for which petition was filed in 2015 and its last hearing was held on 22.12.2015. As on last date of that hearing, the actual expense for 2014-15 must have been available with the Petitioner. Having known the actual expenses for 2014-15, the Petitioner should have informed the Commission during hearing of the Petition about the actual expenses for 2014-15



and should also have submitted the revised projected expenses for 2015-19 period along with reasons so that realistic expenses could have been considered and approved by the Commission.

52. The Petitioner has submitted the Auditor Certificate dated 18.10.2019 for O&M Expenses containing Repair & Maintenance expenses (R&M) and Administration & General (A&G) expenses. Further, the Petitioner vide affidavit dated 7.10.2020 has submitted the cost break-up along with the clarification of certain expenses, which are described as under:

A) "Others (specify)" in Form 7C

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Share of Common expenses in POWERGRID's Katwaria Sarai building, New Delhi	34.92	20.41	49.23	12.20	13.32	130.07
AMC for software system	2.36	33.52	55.19	54.82	66.69	212.58
AMC for IT Systems	0.00	3.93	26.40	24.31	33.49	88.14*
AMC and repairs for infrastructure items	17.37	13.79	18.07	47.92	5.40	102.56
Total	54.65	71.66	148.89	139.26	118.89	533.35

** Total as submitted by the Petitioner is Rs 33.76 lakh

B) "Civil Works Repair and Maintenance" in Form 7C

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Share of Common expenses in POWERGRID's Katwaria Sarai building, New Delhi	0.00	48.29	18.57	66.38	73.16	206.40
Housekeeping Expenses at Nehru Place office and Katwaria Sarai Office	0.00	5.17	11.95	81.77	131.58	230.47
Expenses such as repair & replacement of Electrical fittings and other infrastructure Repair and Maintenance expenses	0.66	0.00	0.67	3.76	5.11	10.20
Total	0.66	53.46	31.18	151.92	209.84	447.06



53. It is evident from the above that the Petitioner has incurred substantial amount on AMC of IT system, software, infrastructure and housekeeping and there is substantial variation during the different years of the control period 2014-19. This variation has been stated to be due to formation of separate company, recruitment of additional manpower and additional office space.

54. We have considered the above claims of the Petitioner and observe that the Petitioner has claimed the expenditure on "Share of Common expenses in POWERGRID's Katwaria Sarai building, New Delhi", twice. First, under the head "Others (Specify)" and second, under the head "Civil Works Repair and Maintenance". The Petitioner has submitted that "Share of Common expenses in POWERGRID's Katwaria Sarai building, New Delhi" under "Civil Works Repair and Maintenance" head are the expenses which are common to PGCIL at Katwaria Sarai office and also these expenses are on account of deployment of the temporary/ contractual housekeeping and other such staff which is provided through PGCIL. Meanwhile, the Petitioner, while filing details about "Others (specify)" vide affidavit dated 7.10.2020, has not provided justification/ clarification regarding "Share of Common expenses in POWERGRID's Katwaria Sarai building, New Delhi" expenses in "Others (Specify)" head.

55. Therefore, in the absence of the cost break-up or clarification regarding the expenses against the 'common expenses with PGCIL' in "Others (Specify)" head, we are not inclined to allow reimbursement of these expenses since the same item is covered under "Civil Works Repair and Maintenance" head. We only allow 'common expenses with PGCIL' in "Civil Works Repair and Maintenance" head.

56. Accordingly, the allowable Repair & Maintenance Expenses for the Control period 2014-19 are as under:



(₹ in lakh)

Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Consumption of stores and spares	0.00	0.00	0.00	0.00	0.00	0.00
Plant & Machinery Repairs and Maintenance	0.07	0.00	0.00	0.00	0.03	0.10
Civil Works repair & maintenance	0.66	53.46	31.18	151.92	209.84	447.06
Others (Specify)	19.72	51.25	99.66	127.06	105.57	403.26
AMC of SCADA	203.84	211.77	216.38	227.03	232.20	1091.22
Total	224.29	316.48	347.22	506.01	547.64	1941.64

57. The Petitioner has also submitted the Auditor Certificate dated 18.10.2019 for A&G Expenses. The Petitioner *vide* affidavit dated 7.10.2020 has submitted the cost break-up along with the clarification of certain expenses, which are described below:

Details of "Miscellaneous" head under (A & G Expenses) in Form- 7D

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Expenses on Meetings	26.52	10.29	22.88	27.34	54.50	141.54
Cultural Meet Expenses	44.22	4.89	45.59	42.22	4.07	140.99
National Day/Ceremonial Expenses	13.91	0.01	20.49	30.60	21.68	86.70
Safety/Hindi/Vigilance/Environment day celebrations	1.29	4.26	9.97	8.41	8.70	32.63
Directors Sitting Fee	3.60	3.34	3.94	2.63	7.79	21.29
Director office expenses	0.00	0.00	0.00	9.08	5.41	14.49
Company Filing fees expenses	0.00	0.00	0.00	0.89	2.26	3.16
Other expenses such as Transit hostel expenses, Parliamentary Committee Expenses, Brokerage expense for residential Accommodation, Horticulture expenses etc.	7.57	3.65	4.41	1.87	10.97	28.47
Total (In ₹)	97.11	26.45	107.27	123.05	115.38	469.26

58. The Petitioner has incurred substantial amount on meetings, cultural meet, National Day/ ceremonial expenses, safety/ Hindi/ vigilance/ Environment Day celebrations. We note that expenditure incurred by the Petitioner during 2014-19 under aforesaid heads is approx. Rs 400.00 lakh for a company with small number of employees. In our view, expenditure on celebrations and ceremonial expenses

should be incurred prudently with the approval of the Board of Directors of the Company to avoid any unreasonable expenditure. The planned expenses corresponding to such items should be furnished at the time of seeking approval for the next control period. We are, however, allowing these expenses under 'Miscellaneous head' for the current control period as detailed in paragraph 57 above with a direction to the Petitioner to be more prudent while incurring such expenses in future.

59. The Commission vide order dated 26.12.2016 in Petition No. 244/TT/2015 has observed the following:

“35. We have considered the submissions of the petitioner. The donations and other charges which do not form part of O&M Expenses are disallowed. As regards the training expenditure, it has been decided in order dated 30.8.2016 in Petition No. 222/MP/2015 that the expenditure incurred for training the personnel from SLDC would be met from the LDC Fund. Since in case of expenditure on training of the personnel of NLDC has been considered as part of the O&M Expenses of NLDC, the same shall be met from the O&M Expenses. Accordingly, the training expenditure related to employees of POSOCO (NLDC) is allowed as part of O&M Expenses. It is observed that the petitioner has booked certain expenses under the head 'Organization Developmental Expenses'. However, the petitioner has not clarified whether this expenditure is related to employee welfare development or other expenses. Thus, only 50% of the expenses claimed under the head 'Organization Developmental Expenses' is allowed. The same will be reviewed at the time of truing up of 2014-19 charges on submission of clarification by the petitioner.”

60. The Petitioner vide affidavit dated 7.10.2020 has submitted that 'Organization Developmental Expenses' include the fees paid to different educational institutes such as IITs, IIMs, Jamia Milia Islamia, NPTI etc. and fees paid against various conferences and seminars. We allow these expenses as these have been incurred on development of the organization.

61. The Petitioner vide affidavit dated 7.10.2020 has submitted the justification for the increase in the “Watch and Ward expenses” during the period 2014-19. These expenses have increased due to deployment of additional CISF personnel at new office of Nehru Place, Delhi w.e.f. 2017-18 and also, on account of wage



revision of CISF staff w.e.f. 2016-17 onwards. Accordingly, we allow these expenses as "Watch and Ward expenses".

62. We observe that actual expenses on "Conveyance and Travelling" has increased approximately by 100% vis-à-vis those approved vide Order dated 26.12.2016 in Petition No. 244/TT/2015. The Petitioner has submitted that expenses have increased due to increase in number of employees and formation of Board of Directors. We direct that the expenses on conveyance and travelling may be regulated keeping in view the guidelines of DPE, if any, in this regard or as per the policy formulated by the Board of Directors.

63. Accordingly, the allowable trued up O&M Expenses for NLDC as per the 2015 RLDC Fees Regulations for control period 2014-19 are as follows:

						(₹ in lakh)
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Repairs and Maintenance	224.30	316.48	347.22	506.02	547.64	1941.66
Administrative and General expenses etc.	618.86	558.96	586.01	1014.37	1920.43	4698.63
Total O&M Expenses	843.16	875.44	933.23	1520.39	2468.07	6640.29

Human Resource Expenses (HR Expenses)

64. Regulation 21 of the 2015 RLDC Fee Regulations provide as under:-

"(1) Human resource expenses shall be derived on the basis of actual human resource expenses for the years 2009-10 to 2013-14 based on the audited balance sheets. The human resource expenses shall be normalized by excluding abnormal Human resource expenses, ex-gratia, VRS expenses, prior-period adjustments, claims and advances written-off, provisions, etc., if any, after prudence check by the Commission: 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.

(2) The normalized human resource expenses, after prudence check, for the year 2009-10 to 2013-14, shall be escalated at the rate of 5.72% to arrive at the normalized human resource expenses at the 2013-14 price level respectively and then averaged to arrive at normalized average human resource expenses for the 2009-10 to 2013-14 at 2013-14 price level.



(3) The manpower approved during the year 2013-14 shall be the basis for computation of the HR expenses for 2014-15. Thereafter, for the subsequent years, the HR expenses shall be escalated at the annual escalation rate.

(4) The average normalized human resource expenses of 2013-14 price level shall be escalated at the escalation rate as worked out in accordance with clause (6) this Regulation to arrive the operation and maintenance expenses for the year 2014-15.

(5) The human resource expenses for the year 2014-15 shall be escalated further at the annual escalation rate as worked out in accordance with clause (6) this Regulation to arrive at permissible human resource expenses for the subsequent years of the control period:

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.

(6) The escalation rate shall be worked out by considering the compound annual growth rate, inflation rate, rationalization of human resource and other factors, if any.

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

65. Summary of the HR Expenses approved by the Commission vide order dated 26.12.2016 in Petition No. 244/TT/2015 and additional HR Expenses approved vide order dated 10.6.2019 in Petition No. 344/MP/2018, which is as follows:

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Human Resource Expenses (Order in Petition No. 244/TT/2015 dated 26.12.2016)	1519.22	1637.72	1765.50	1903.10	2051.60	8877.14
Pay Revision (Order in Petition No. 344/MP/2018 dated 10.06.2019)			71.68	326.74	619.57	1017.99
Certification Linked Incentive (Order in Petition No. 344/MP/2018 dated 10.06.2019)					132.30	132.30
Total HR Expenses	1519.22	1637.72	1837.18	2229.84	2803.47	10027.43

66. The actual HR Expenses incurred and claimed by the Petitioner for period 2014-19 are as follows:

(₹ in lakh)

Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Salaries	376.29	352.47	355.52	447.04	1246.30	2777.62
Overtime	0.0	0.0	0.0	0.0	0.0	0.0
Dearness allowance	353.18	372.93	415.29	535.05	1658.92	1819.48
Other Allowances	159.97	175.38	179.32	199.29	1055.43	1129.88



Productivity link Incentive	0.0	0.0	0.0	0.0	132.30	132.30
Wage Revision Provisional Expenses	0.0	0.0	71.68	327.84	386.21	432.50
Reimbursement of Medical Expenses	62.15	55.93	71.49	58.79	287.75	324.32
Leave Travel Concession	0.0	0.0	0.0	1.42	12.90	13.05
Reimbursement of House Rent / Lease	175.76	171.17	160.50	182.30	940.23	972.89
Encasement of earned Leaves	118.23	103.17	94.11	166.45	179.97	661.93
Staff welfare Expenses	41.43	34.97	25.78	58.45	274.92	308.27
Terminal Benefits	201.44	236.14	266.73	232.47	1232.04	1356.53
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Total Human Resource Expenses	1488.45	1502.15	1640.42	2209.10	3088.66	9928.78

67. The Petitioner has submitted the reasons for decrease in the actual HR expenses w.r.t the expenses approved by the Commission, as summarised below:

- a) The actual expenditure under HR expenses is lower than the figures approved by the Commission. This is mainly attributable to the fact that up to FY 2016-17, manpower has almost remained unchanged. Although, there has been gradual addition to the manpower (mainly Executive/ Diploma Trainees) every year, there has been only slight increase in manpower due to retirements at regular intervals and migration of employees to erstwhile holding company, PGCIL.
- b) During FY 2017-18, though manpower has increased, but the actual amount of HR expenses was as per the approved expenses. This is due to the fact that increase in manpower is primarily at the induction level and there is substantial gap in the remuneration of employees getting retired and those being recruited at the trainee Level.
- c) During FY 2018-19, HR expenses are more than the HR expenses approved by the Commission as most of the salary/ wage expenses of the executive trainees inducted during the year have been booked in CC/NLDC of POSOCO.

68. The Respondent, UPPCL, vide affidavit dated 1.6.2020 has submitted that there is reduction in Human Resource Expenses amounting to ₹98.65 lakh as



compared to HR expenses allowed by the Commission vide its order dated 26.12.2016 in Petition No. 244/TT/2015. Therefore, over-recovery of the expenses must be reimbursed to the Respondents with interest in accordance with Regulation 8(4) of the 2015 RLDC Fees Regulations. UPPCL has further submitted that Performance Linked Incentive (PLI) cannot be considered as a regular ingredient of the Human Resource Expenses under the head of 'Salary & Allowances' because performance linked incentive is a creation of the 2015 RLDC Fees Regulations. Hence, these expenses should not be considered as a part of Human Resource Expenses for the purpose of true-up exercise and it may be deleted from this head of expenditure.

69. In response, the Petitioner, vide affidavit dated 25.6.2020 has submitted that for computation of HR expenses for the control period 2019-24, Performance Linked Incentive (PRP/PLI) incurred during the control period 2014-19 have not been considered. PLI shown in the HR expenses during FY 2018-19 is actually provision made towards Certificate Linked Incentive. Same has also been submitted in the additional information submitted to the Commission in compliance of the ROP of hearing dated 25.2.2020 vide affidavit dated 23.6.2020 in the subject petition. Regarding refund of the excess recovery, the Petitioner has submitted that as per proviso (4) to Regulation 8 of the 2015 RLDC Fees Regulations, the amount over-recovered by National Load Despatch Centre, if any, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year, shall be refunded in six equal monthly instalments starting within three months from the date of the order issued by the Commission after the true-up exercise.

70. We have considered the submissions of the Petitioner and Respondent UPPCL. We have also perused order dated 14.3.2016 in Petition No. 524/TT/2014,



order dated 26.12.2016 in Petition No. 244/TT/2015 and order dated 10.6.2019 in Petition No. 344/MP/2018, wherein the following has been allowed:

- a. The Commission vide order dated 10.6.2019 in Petition No. 344/MP/2018 allowed the wage revision of POSOCO's employees w.e.f. 1.1.2017 along with the recruitment of additional manpower, subject to true-up.
- b. Also, the Commission in the said order dated 10.6.2019, allowed the expenses on account of Certification Linked Incentives (CLI) for payment to Certified System Operators of NLDC/RLDCs.

71. The Petitioner has submitted details about actual manpower at NLDC in Petition No. 344/MP/2018, as under:

2014-15	2015-16	2016-17	2017-18	2018-19
86	80	83	93	162

72. We observe from the table in para 65 that there is considerable increase in component "salaries" in year 2018-19 over year 2017-18. It is seen that manpower of NLDC increased to 162 in the year 2018-19 against 93 lakh in the year 2017-18, which is an increase of 74%. There has also been wage revision w.e.f 01.01.17. Considering an increase in manpower and pay revision, we are of the view that the increase in 'Salaries' is justified.

73. The Petitioner vide Auditor Certificate dated 18.10.2019 has mentioned a head naming 'Staff Welfare Expenses', whose cost breakup details have been submitted by the Petitioner vide affidavit dated 16.3.2020, as under:

'Staff Welfare Expenses'

DESCRIPTION						(₹ in lakh)
	2014-15	2015-16	2016-17	2017-18	2018-19	Total (2014-19)
Other Employee Welfare Expenses	35.65	18.10	18.16	37.86	64.38	174.15
Reimbursement of Employees Welfare Exp.	0.21	0.30e	0.31	1.04	0.42	2.28



PF and other Funds Administration Charge	1.39	1.37	2.91	6.26	8.46	20.39
Games and Sports Expenses	0.11	1.53	2.01	5.93	6.94	16.52
Awards to Employees	3.20	10.76	1.18	0.02	0.83	15.99
Safety Appliances and Expenses	0.00	0.25	0.00	1.20	0.00	1.45
Family Planning - Cash Incentives	0.87	0.77	0.58	0.77	0.80	3.79
Liveries and Uniforms	0.00	1.89	0.63	5.37	65.81	73.70
TOTAL	41.43	34.97	25.78	58.45	147.64	308.27

74. We observe from the above table that the Petitioner has claimed expenditure of ₹15.99 lakh against "Award to Employees" under 'Staff Welfare Expenses' which is varying over the years of control period. We expect that due fiscal prudence will be exercised in future and expenditure shall be in line with DPE/ GoI Guidelines, if any, in this regard.

75. The Petitioner, vide affidavit dated 7.10.2020, has submitted cost break-up of the head 'Other Employee Welfare Expenses' under 'Staff Welfare Expenses' in the above table, as under:

'Other Employee Welfare Expenses' in Form 7B

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total (2014-19)
Visiting doctor fees	2.96	4.05	3.05	4.71	5.91	20.69
Group Insurance Policy/HBA/Vehicle	0	0	0	4.86	15.38	20.25
Expenses on Superannuation of employees	0	0	4.10	4.85	4.57	13.52
Car Parking for employees	0	2.25	3.41	2.10	3.40	11.16
Safety Week Expenses	0	0	0	2.63	8.00	10.63
Miscellaneous: such as expenses on Preventive Health Check-up of Employees, Tea/Coffee	32.69	11.81	7.57	14.15	27.11	93.33



Vending machine expenses, Republic day, Independence day expenses etc.						
Total	35.65	18.11	18.14	33.30	64.37	169.57

76. We note that under 'Miscellaneous expense' head in "Other Employee Welfare expenses" the Petitioner has claimed multiple expenses clubbed together and this includes expenditure related to Republic Day and Independence Day. The expenditure shown under this head ('Miscellaneous expense') has wide variation, year-to-year, in the range of ₹7 lakh to ₹33 lakh. In the instant case, the amount is being allowed as claimed. However, the Petitioner should claim such expenditure under appropriate heads in the next control period.

77. In view of the above, the allowed 'Staff welfare expense' under HR Expenses for the control period 2014-19 are as under:

Description	(₹ in lakh)					
	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Other Employee Welfare Expenses	35.65	18.11	18.14	33.30	64.37	169.57**
Reimbursement of Employees Welfare Expenditure	0.21	0.30	0.31	1.04	0.42	2.28
PF and other Funds Administration Charge	1.39	1.37	2.91	6.26	8.46	20.39
Games and Sports Expenses	0.11	1.53	2.01	5.93	6.94	16.52
Awards to Employees	3.20	10.76	1.18	0.02	0.83	15.99
Safety Appliances and Expenses	0	0.25	0	1.20	0	1.45
Family Planning Cash Incentives	0.87	0.77	0.58	0.77	0.80	3.79
Liveries and	0	1.89	0.63	5.37	65.81	73.70



Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Uniforms						
Total Allowed	41.43	34.98	25.76	53.89	147.63	303.69

** Submitted vide affidavit dated 7.10.2020 being less than that submitted in the petition.

78. The Petitioner has submitted Auditor's Certificate dated 18.10.2019 indicating the expense of ₹132.30 lakh w.r.t. 'Productivity Linked Incentive' for FY 2018-19. However, the Petitioner *vide* affidavit dated 16.3.2020, has clarified that the said head is 'Certification Linked Incentive' (CLI) instead of 'Productivity Linked Incentive'. Also, the Petitioner has submitted that the said CLI amount has not been disbursed yet and this amount was just provisioned against CLI. Since the said CLI amount has not been disbursed by the Petitioner, we are not inclined to allow any reimbursement under this head in this petition. Moreover, the Performance Linked Incentive (PRI) payments made by the Petitioner are being dealt by the Commission in separate petitions filed by the Petitioner.

79. The Petitioner has claimed expenses under various heads such as Salaries, Dearness Allowance, Other Allowances, Wage Revision Provisional Expenses, Reimbursement of Medical Expenses, Leave Travel Concession, Reimbursement of House Rent/ Lease, Encashment of Earned leave, Terminal Benefits. We note that these expenditures are part of individual employee's salary and other defined benefits as per company policy/ DPE guidelines. Therefore, we allow the expenditure claimed under above said heads to be recovered.

80. The Petitioner *vide* affidavit dated 7.10.2020 has submitted that the Petitioner had inadvertently missed to include, in the Petition, the expenses against the IND AS w.e.f. FY 2016-17 in Staff Welfare expenses. However, the Petitioner has, now, sought the reimbursement of the said expenses under the head "Human Resources Expenses" as under:

(₹ in lakh)



RLDCs	FY 2016-17	FY 2017-18	FY 2018-19	Total
NLDC	18.17	6.04	53.73	77.94

81. The Petitioner has submitted that the Ministry of Corporate Affairs, had notified the Companies (Indian Accounting Standard (IND AS)) Rules 2015, which stipulated adoption and applicability of IND AS beginning from the accounting period 2016-17. IND AS is also applicable on POSOCO from FY 2016-17. As per paragraph 4.1.2 of IND AS 109, all financial assets shall be measured at amortized cost if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

82. The Petitioner has submitted that both the above conditions are met in case of loans provided by the Petitioner company to its employees. Hence, said asset is required to be valued as per IND AS. In line with the above provisions of IND AS, the expenditure accounted for under "Human Resources expenses" in the Annual Accounts of POSOCO from FY 2016-17 to FY 2018-19 are as under:

(₹ in lakh)				
RLDCs	FY 2016-17	FY 2017-18	FY 2018-19	Total
NLDC	18.17	6.04	53.73	77.94
NRLDC	13.30	6.78	96.20	116.28
WRLDC	17.98	18.03	28.09	64.10
SRLDC	8.16	1.66	49.16	58.98
ERLDC	18.01	2.24	58.01	78.26
NERLDC	3.65	2.46	7.17	13.28
Total	79.27	37.21	292.36	408.84

83. The Petitioner has submitted that such expenses were inadvertently excluded in the truing up petitions of NLDC and RLDCs for 2014-19. The Petitioner has requested to consider allowing these expenses during truing up under the head 'Staff Welfare Expenses'.



84. We have considered the submissions of the Petitioner. Para 4.1.2 of IND AS 109 stipulates as below:

“4.1.2 A financial asset shall be measured at amortized cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Paragraphs B4.1.1–B4.1.26 provide guidance on how to apply these conditions.”

85. It is observed that loans have been provided by the company to its employees, which, under the patronage of Employees' Benefits, could be interest free or low- interest bearing loans. The Petitioner has requested that the said financial asset be valued as per IND AS. Under IND AS, all financial assets and liabilities are required to be recorded at fair value at initial recognition instead of the actual cost. Difference between the same is required to be accounted in the P&L Account in most cases. The interest-free loans or low-interest bearing loans given or taken are required to be apportioned indicating principal and notional interest. Such notional interest is recognized as income/ expense in the P&L account over the period of loan. In the instant case, the expenses being notional and not actual, we are not inclined to include the additional Human Resources expenses claimed as above for consideration in the Fee and Charges calculations.

86. Accordingly, the claimed vis-s-vis approved Human Resources (HR) Expenses for the control period 2014-19 is summarised as under:

	(₹ in lakh)					
Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
HR Expenses Claimed	1488.45	1502.15	1640.42	2209.10	3088.66	9928.78
HR Expenses	1488.45	1502.15	1640.42	2209.10	3088.66	9928.78



Allowed						
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87. Therefore, the claimed vis-à-vis allowed expenses for the control period 2014-19 are summarised as under:

(₹ in lakh)			
S.N.	Parameter	Claimed	Allowed
1	CAPEX	1213.89	1155.98
2	O&M Expenses	6771.18	6640.29
3	HR Expenses	9928.78	9928.78

88. As explained in paragraph 32 of this Order, the allowed CAPEX is not being considered for working out the Fee and Charges.

Annual Fee and charges

89. The details of the trued up annual fee and charges allowed for NLDC as per the 2015 RLDC Fees Regulations for control period 2014-19 tariff period is summarized below:

(₹ in lakh)						
Annual Fee & Charges	2014-15	2015-16	2016-17	2017-18	2018-19	
Depreciation	492.99	44.42	13.20	0.00	0.00	
Interest on Loan	0.00	0.00	0.00	0.00	0.00	
Return on Equity	186.17	186.18	184.44	184.36	169.19	
O & M Expenses (Excluding Human Resource Expenses)	843.16	875.44	933.23	1520.39	2468.07	
Human Resource Expenses	1488.45	1502.15	1640.42	2209.10	3088.66	
Total	3010.77	2608.18	2771.29	3913.85	5725.92	

Billing and Payment of Charges

90. Billing and payment of charges allowed shall be governed by Regulation 31 of the 2015 RLDC Fees Regulations. Accordingly, POSOCO will raise bills for these charges on monthly basis directly from the users as per the said Regulation.

91. Further, in terms of Regulations 8(3) and 8(4) of the 2015 RLDC Fees Regulations the amount under-recovered or over-recovered by NLDC may be, along



with simple interest at the rate equal to the bank rate as on 1st April of the respective year shall be recovered or refunded by NLDC or Users, as the case may be, in 6 equal monthly instalments starting within 3 months from the date of this order issued by the Commission.

92. This order disposes of Petition No. 430/MP/2019.

Sd/
(Arun Goyal)
Member

Sd/
(I. S. Jha)
Member

Sd/
(P. K. Pujari)
Chairperson



**DETAILS OF WEIGHTED AVERAGE RATE OF DEPRECIATION (WAROD)
FOR THE 2014-19 TARIFF PERIOD**

NLDC

NLDC (2014-19)	Admitted Capital Cost as on 1.4.2014	Admitted Additional Capitalisation during tariff period 2014-19	Admitted Capital Cost as on 31.3.2019	Rate of Depreciation as per Regulations	Annual Depreciation as per Regulations					
					2014-15	2015-16	2016-17	2017-18	2018-19	
Capital Expenditure										
Freehold Land	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	3.34%	0.00	0.00	0.00	0.00	0.00	0.00
Building & Other	698.38	0.00	698.38	3.34%	23.33	23.33	23.33	23.33	23.33	23.33
Civil Works										
Auxiliary Power	20.62	0.00	20.62	5.28%	1.09	1.09	1.09	1.09	1.09	1.09
Supply System										
Office Furniture	-0.05	-21.08	-21.13	6.33%	0.00	-0.32	-0.65	-0.67	-1.02	-1.02
and furnishing (including Communication Equipment)										
Others	12.00	0.00	12.00	5.28%	0.63	0.63	0.63	0.63	0.63	0.63
SCADA	704.43	-26.24	678.19	15.00%	105.62	104.87	104.18	104.07	102.85	102.85
Hardware with Test Equipment & Spares (IT Equipments)										
Software (IT Equipments)	1207.78	-29.41	1178.37	30.00%	362.33	357.92	353.51	353.51	353.51	353.51
Total	2643.16	-76.73	2566.43	Total	492.99	487.52	482.09	481.96	480.39	480.39
Average Gross Block (₹ in lakh)					2642.83	2618.09	2593.68	2592.54	2578.91	2578.91
Weighted Average Rate of Depreciation (WAROD)					18.65%	18.62%	18.59%	18.59%	18.63%	18.63%