

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Petition No. 437/MP/2019**

**Coram:**

**Shri P.K. Pujari, Chairperson**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Date of Order: 21.03.2021**

**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 Southern Regional Load Despatch Centre (SRLDC) fees and charges for control period 2014-19.

**And in the matter of**

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

**.... Petitioner**

**Versus**

1. Chairman cum Managing Director, APTRANSCO,  
Vidyut Soudha, Gunadala, Vijayawada 520 004,  
Andhra Pradesh.
2. Chairman cum Managing Director, TSTRANSCO,  
Vidyut Soudha, Hyderabad 500 082,  
Telangana
3. Managing Director, PCKL,  
KPTCL building, Cauvery Bhavan, Bangalore-560 009,  
Karnataka



4. Chairman, KSEB,  
Vaidyuthi Bhavanam, Pattom,  
Trivandrum 695 004, Kerala
5. Chairman, TNEB,  
144, Anna Salai, Chennai 600 002,  
Tamil Nadu
6. Superintending Engineer, Puducherry Electricity Deptt.,  
Electricity Dept. of Pondicherry,  
Pondicherry 605 001
7. Chief Engineer (Electrical), Goa Electricity Board,  
Office of Chief Electrical Engineer (Electrical), Government of Goa,  
Vidyuth Bhavan, 3rd Floor, Panaji, Goa 403 001
8. Executive Director, POWERGRID HVDC,  
PGCIL, Southern Regional Transmission System – II,  
Near RTO Driving Test Track, Singanayakanhalli,  
Yelahanka, Bangalore 560 064, Karnataka
9. Executive Director, RAMAGUNDAM STG I & II,  
NTPC, RSTPS, Jyothi Nagar, Dist. Karim Nagar,  
Telangana - 505 215
10. Executive Director, RAMAGUNDAM STG III,  
NTPC, RSTPS, Jyothi Nagar, Dist. Karim Nagar,  
Telangana - 505 215
11. Executive Director, SIMHADRI STG II,  
NTPC, District - Vishakhapatnam, Simhadri – 531 020,  
Andhra Pradesh
12. Executive Director, SIMHADRI STG I,  
NTPC, District - Vishakhapatnam, Simhadri – 531 020,  
Andhra Pradesh
13. Executive Director, NTPC, TALCHER STG II,  
NTPC, Kaniha, Deepshikha - P.O, District – Angul 759 147,  
Orissa
14. General Manager (O&M), Kudgi STPP,  
NTPC, T.K.Basavana Bagewadi, District Bijapur,  
Karnataka-586 121



15. Chief General Manager, NLC TPS II STG I,  
Neyveli Lignite Corporation of India Limited, Thermal Power Station II,  
Neyveli 607 801, Tamil Nadu
16. Chief General Manager, NLC TPS II STG II,  
Neyveli Lignite Corporation of India Limited, Thermal Power Station II,  
Neyveli 607 801, Tamil Nadu
17. Chief General Manager, NLC TPS I EXPANSION,  
Neyveli Lignite Corporation of India Limited,  
Thermal Power Station I (Expansion),  
Neyveli 607 801, Tamil Nadu
18. Chief General Manager, NLC TPS II EXPANSION,  
Neyveli Lignite Corporation of India Limited,  
Thermal Power Station II (Expansion),  
Neyveli 607 801, Tamil Nadu
19. Chief General Manager, New Neyveli Thermal Power Project,  
Neyveli 607 807, District Cuddalore,  
Tamil Nadu
20. Station Director, MAPS, Nuclear Power Corporation of India Limited,  
Madras Atomic Power Station, Kalpakkam 603 102,  
Tamil Nadu
21. Station Director, KGS UNITS 1&2,  
Nuclear Power Corporation of India Limited, Kaiga Generating Station,  
Kaiga 581 400, Karwar, Karnataka
22. Station Director, KGS UNIT 3&4,  
Nuclear Power Corporation of India Limited, Kaiga Generating Station,  
Kaiga 581 400, Karwar, Karnataka
23. The Station Director, KNPP Unit-1, Kudankulam Nuclear Power Project,  
Nuclear Power Corporation of India Limited, Kudankulam Post,  
Radhapuram Taluk – 627 106, Tamil Nadu
24. The Station Director, KNPP Unit-2, Kudankulam Nuclear Power Project,  
Nuclear Power Corporation of India Limited, Kudankulam Post,  
Radhapuram Taluk – 627 106, Tamil Nadu
25. The Executive Director, NTPC Tamil Nadu Energy Company Limited,  
Vallur Thermal Power Project, Vellivoyalchavadi Post, Poneri Taluck,  
District Tiruvallur, Chennai – 600 013, Tamil Nadu



26. The Executive Director, NLC Tamil Nadu Power Limited,  
2 \* 500MW JV Thermal Power Project, Harbour Estate,  
Tuticorin – 628 004, Tamilnadu
27. Executive Director, LANCO KODAPALLI St II,  
Lanco Kondapalli Power Private Limited, Kondapalli,  
Ibrahimpattanam Mandal, PIN 521 228, Telangana
28. Executive Director, LANCO KODAPALLI St III  
Lanco Kondapalli Power Private Limited, Kondapalli,  
Ibrahimpattanam Mandal, PIN 521 228, Telangana
29. The Chairman & Managing Director  
Meenakshi Energy Pvt Ltd. (Phase I), 405, Saptagiri Towers, 1-10-75/1/1 to 6,  
Begumpet, Secunderabad – 500 016, Telangana
30. The Chairman & Managing Director, Meenakshi Energy Private Limited,  
(Phase II), 405, Saptagiri Towers, 1-10-75/1/1 to 6, Begumpet,  
Secunderabad – 500 016, Telangana
31. The General Manager, Simhapuri Energy Limited,  
Madhucon Greenlands, 6-3-866/2, 3rd Floor, Begumpet,  
Hyderabad – 560 016, Telangana
32. The President & CEO, Coastal Energen Private Limited,  
7th Floor, Buhari Towers, No. 4 Moores Road,  
Chennai 600 006, Tamil Nadu
33. 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
34. The AGM-Electrical, IL&FS Tamil Nadu Power Company Limited,  
C. Pudhupettai (Post), Parangipettai (Via), Chidambaram (TK),  
Cuddalore 608 502, Tamil Nadu
35. 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
36. Associate Director-Business Development, FRV Andhra Pradesh Solar  
Farm-I Private 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

37. Associate Director-Business Development, FRV Andhra Pradesh Solar Farm-II Private 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
38. General Manager, Azure Power Thirty Six Private Limited, 3rd floor, Asset 301-304, World mark 3, Aerocity, Delhi, 110037
39. Group Head Commercial, Tata Power Renewable Energy Limited, 2nd Floor, Block B, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009
40. Manager, ACME Karnal Solar Power Private Limited, Plot No. 152, Sector-44, Gurugram, Haryana 122 003
41. Manager, ACME Bhiwadi Solar Power Private Limited, Plot No. 152, Sector-44, Gurugram, Haryana 122 003
42. Manager, ACME Hisar Solar Power Private Limited, Plot No. 152, Sector-44, Gurugram, Haryana 122 003
43. General Manager (Commercial), NTPC Ananthapuramu Ultra Mega Solar park, Southern Region Head Quarters, NTPC Bhavan, Kavadi Main Road, Secunderabad 500 080, Telangana
44. General Manager – Projects, Green Infra Renewable Energy Limited, 5th floor, Tower C, Building No.8, DLF Cyber city, Gurugram, Haryana 22 002
45. Chief operating officer (Wind & Solar), Mytrah Energy (India) Energy Private Limited, 8001, S NO 109 Q city, Nanakramguda, Gachibowli, Hyderabad, Telangana -500032
46. The Assistant General Manager (Electrical), Orange Sironj Wind Power Private Limited, F-9, 1<sup>st</sup> Floor, Manish Plaza-1, Plot No 7, MLU Sector-10, Dwarka, New Delhi- 110075



47. Executive Director, POWERGRID ISTS,  
Southern Regional Transmission System – II,  
Near RTO Driving Test Track, Singanayakanhalli,  
Yelahanka, Bangalore – 560 064, Karnataka.
48. The Project In Charge,  
Raichur Sholapur Transmission Company Limited,  
Patel Estates, S.V.Road, Jogeshwari (West),  
Mumbai 400 102, Maharashtra
49. The Project In Charge, Kudgi Transmission Limited,  
Building No 3, Second Floor, Sudeep Plaza, MLU Sector - 11,  
Pocket - 4, Dwarka, NEW DELHI – 110 075, Delhi
50. The Project In Charge,  
Powergrid Vizag Transmission Limited,  
Vizag 400 kV Substation Sector 10, Ukkanaguram,  
Vishakhapatnam 530 032, Andhra Pradesh
51. The CEO, Powergrid NM Transmission Limited,  
SRTS - II, Near RTO Driving Track, Singanayakanahalli,  
Yelahanka-Doddaballapur Road,  
Bengaluru 560 064, Karnataka
52. Head-O&M/Assets Management, Maheswaram Transmission Co. Limited,  
Tulip-634, New Minal Residency, J.K.Road, Near Ayodhya Bypass,  
Bhopal 462023, Madhya Pradesh
53. The Chief Executive Officer, POWERGRID Southern Interconnector  
Transmission System Limited, 6-6-8/32 & 395 E,  
Kavadiguda Main Road, Old Praga tools,  
Secuderabad 500 080, Telangana
54. The Divisional Engineer (Technical), Andhra Pradesh Solar Power Corporation  
Private Limited, H.No. 6-3-856/A/3,  
Sadat Manzil Compound, Neeraj Public School Lane,  
Opposite to Green Park Hotel, Ameerpet,  
Hyderabad 500 016, Telangana

...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

### **ORDER**

The instant petition has been filed by Southern Region Load Despatch Centre (SRLDC), 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 SRLDC for the control period 1.4.2014 to 31.3.2019.

2. The Petitioner has made the following prayers:

*“1) Approve the charges for SRLDC for control period 2014-19 as mentioned in fore going paras.*

*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) Allow the petitioner to recover any taxes and duties, service tax including cess etc. imposed by any statutory/ government/ municipal authorities’ in future from the Users.*

*4) 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:

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



- b) In exercise of powers conferred under Section 178 of the Electricity Act, 2003, the Central Electricity Regulatory Commission, vide notification dated 18<sup>th</sup> May 2015, issued the 2015 RLDC Fees Regulations for determination of fees and charges of NLDC and RLDCs for the control period 2014-19.
- c) The Commission vide order dated 17.3.2011 in Petition no. 94/2010, had approved the fee and charges of SRLDC (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 31.3.2016 in Petition No. 519/TT/2014, approved the trued-up fee and charges of SRLDC (POSOCO portion) for the control period 2009-14.
- d) In compliance to Regulation 6 of the 2015 RLDC Fees Regulations, SRLDC had filed Petition No. 242/TT/2015 for determination of fees and charges for 2014-19 period and the Commission vide order dated 29.12.2016 had accorded its approval to the fees and charges.
- e) While approving the fees and charges for the control period 2014-19, in the different petitions filed by NLDC and RLDCs, the Commission had not allowed the impact of 3<sup>rd</sup> wage revision. However, liberty was granted to NLDC and RLDCs to approach the Commission after implementation of the wage revision.
- f) 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 the 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 10.6.2019 in Petition No. 344/MP/2018 approved the additional expenses claimed by POSOCO.
- g) In accordance with Regulation 8(1) of the 2015 RLDC Fees Regulations, SRLDC has filed the instant Petition for truing up of fees and charges for the control period 2014-19.





4. The summary of approved fees and charges as per orders dated 29.12.2016 and dated 10.6.2019 in Petition no. 242/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	0.00	0.00	0.00	0.00	0.00	0.00
2	Interest on Loan	0.00	0.00	0.00	0.00	0.00	0.00
3	Return on Equity	55.93	33.96	11.34	10.53	10.32	122.08
4	Interest on Working Capital	92.6	85.05	87.23	94.24	100.06	459.18
5	O & M Expenses excluding Human Resource Expenses	718.62	490.17	435.8	514.28	550.92	2709.79
	Additional O&M expenses (Order dated 10.6.2019 in Petition no. 344/MP/2018)	0.00	0.00	0.00	0.00	9.08	9.08
	Sub-Total O&M	718.62	490.17	435.8	514.28	560	2718.87
6	Human Resource Expenses	1477.85	1593.11	1717.35	1851.29	1995.67	8635.27
	Pay Revision (Order in Petition no. 344/MP/2018 dated 10.6.2019)	0.00	0.00	60.25	283.68	315.63	659.56
	Certification Linked Incentive (Order in Petition no. 344/MP/2018 dated 10.6.2019)	0.00	0.00	0.00	0.00	125.70	125.70
	Sub-Total HR	1240.15	1336.88	1501.4	1837.23	2116.06	8031.72
7	NLDC charges & corporate office expenses	685.92	613.47	641.92	654.71	665.41	3261.43
	Addl. O&M expenses (Order in Petition no. 344/MP/2018 dated 10.6.2019)	0.00	0.00	0.00	0.00	421.91	421.91
	Pay Revision (Order in Petition no. 344/MP/2018 dated 10.6.2019)	0.00	0.00	18.07	82.36	156.18	256.61
	Certification Linked Incentive (Order in Petition no. 344/MP/2018 dated 10.06.2019)	0.00	0.00	0.00	0.00	33.35	33.35
	Sub-Total NLDC	685.92	613.47	659.99	737.07	1276.85	3973.3



S.N.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
	Total before 344/MP/2018	2793.22	2559.53	2617.44	2827.31	3001.44	13798.94
	<b>Total approved after 344/MP/2018</b>	<b>2793.22</b>	<b>2559.53</b>	<b>2695.76</b>	<b>3193.35</b>	<b>4063.29</b>	<b>15305.15</b>

5. The summary of fees 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	Total
1	Depreciation	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
2	Interest on Loan	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
3	Return on Equity	69.75	45.20	20.01	19.17	16.80	<b>170.93</b>
4	Interest on Working Capital	95.49	85.87	85.96	105.05	132.10	<b>504.47</b>
5	O & M Expenses excluding Human Resources	689.75	473.46	416.70	521.01	607.31	<b>2708.23</b>
6	Human Resource Expenses	1261.77	1324.75	1474.09	1694.15	2148.91	<b>7903.67</b>
7	NLDC charges and Corporate office expenses	767.74	658.72	724.67	1036.93	1475.56	<b>4663.62</b>
	<b>Total</b>	<b>2884.50</b>	<b>2588.00</b>	<b>2721.43</b>	<b>3376.31</b>	<b>4380.68</b>	<b>15950.92</b>

6. The Respondents are 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. None of the Respondent has submitted reply in the matter.

8. The hearing in this matter was held on 29.5.2020 and the order was reserved. The Petitioner was directed to submit certain information during the hearings held on 25.2.2020 and 29.5.2020 and the same was furnished by the Petitioner *vide* affidavits dated 16.3.2020, 24.6.2020 respectively and through additional reply *vide* affidavit dated 7.10.2020.

9. This order has been issued after considering the main petition dated 31.10.2019 and Petitioner's affidavits dated 16.3.2020, 24.6.2020 and 7.10.2020.

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 FEES AND 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 SRLDC fee and charges for control period 2014-19. The SRLDC fee and charges tariff 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 Commission *vide* ROP of hearing dated 25.2.2020 directed the Petitioner to furnish Form-4B (element-wise break-up of capital cost), Form-4E (statement of additional capitalization) and Form-4H (financing of additional capitalization). In response, the Petitioner *vide* affidavit dated 16.3.2020 has submitted the desired Forms relating to the tariff computation. Details related to the CAPEX/REPEX of SRLDC and its financing, de-capitalisation etc. have been furnished in the other applicable forms like 4D, 6A, 6B. Auditor Certificate has been submitted for CAPEX utilisation.

14. The capital cost of ₹2645.51 lakh as on 31.3.2014 was allowed *vide* order dated 31.3.2016 in true up Petition No. 519/TT/2014 for the period 2009-14. Same capital cost of ₹2645.51 lakh was admitted by the Commission, *vide* order dated 29.12.2016 in petition no. 242/TT/2015, as on 31.3.2014. Accordingly, the capital cost of ₹2645.51 lakh has been considered as opening capital cost as on 1.4.2014 for determination of fees and charges in accordance with Regulation 9 of the 2015 RLDC Fees Regulations for truing up of SRLDC fee and charges for 2014-19 control period.

#### **Additional Capitalisation/ De-Capitalisation**

15. 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 Replacement Expenditure (REPEX)**

16. 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 upto 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.”*

17. CAPEX and REPEX plans approved (subject to true-up) vide order dated 29.12.2016 in Petition No. 242/TT/2015 for the purpose of capitalisation in



accordance with Regulation 5 read with Regulation 10 of the 2015 RLDC Fees Regulations, subject to true up are as given below:

**CAPEX Plan:**

(₹ in lakh)

S.N.	Expenditure Head	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	Land (Freehold)	0.00	0.00	0.00	0.00	0.00	0.00
2	SCADA Hardware	0.00	5.00	0.00	0.00	20.00	25.00
3	SCADA Software	0.00	0.00	0.00	0.00	80.00	80.00
4	IT Hardware	4.00	39.00	57.00	4.00	4.00	108.00
5	IT Software	70.88	91.00	159.00	132.00	22.00	474.88
6	Power Supply	0.00	60.00	0.00	0.00	0.00	60.00
7	Civil Works	0.00	600.00	10.00	0.00	0.00	610.00
8	Air Conditioning System	0.00	0.00	0.00	0.00	0.00	0.00
9	Communication System	0.65	0.00	0.00	0.00	0.00	0.65
10	Other Infrastructure	0.00	3.00	15.00	0.00	2.00	20.00
	<b>Total</b>	<b>75.53</b>	<b>798.00</b>	<b>243.00</b>	<b>137.00</b>	<b>129.00</b>	<b>1382.53</b>

**REPEX Plan:**

(₹ in lakh)

S.N.	Expenditure Head	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	SCADA Hardware	0.00	1068.05	0.00	0.00	0.00	1068.05
2	SCADA Software	0.00	168.00	0.00	0.00	0.00	168.00
3	IT Hardware	0.00	3.00	21.00	21.00	6.00	51.00
4	IT Software	0.00	0.00	0.00	0.00	0.00	0.00
5	Power Supply	0.00	32.00	10.00	0.00	0.00	42.00
6	Civil Works	0.00	0.00	20.00	0.00	0.00	20.00
7	Air Conditioning System	0.00	0.00	0.00	0.00	0.00	0.00
8	Other Infrastructure	0.00	1.00	1.00	0.00	0.00	2.00
	<b>Total</b>	<b>0.00</b>	<b>1272.05</b>	<b>52.00</b>	<b>21.00</b>	<b>6.00</b>	<b>1351.05</b>

18. The Petitioner has submitted the segregation of additional capital expenditure into capital expenditure (CAPEX) and replacement expenditure (REPEX). The details of the capital expenditure as on 1.4.2014 and the actual expenditure claimed during 2014-19 are as follows:

Particulars	As on 31.3.2014	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Opening Gross Block	2645.51	2645.51	2721.03	4148.11	4831.42	5130.30	2645.51
CAPEX	-	75.52	32.30	683.31	296.81	256.07	1344.01
REPEX	-	0.00	1394.78	0.00	2.07	0.21	1397.06



<b>Sub Total (2+3)</b>	-	<b>75.52</b>	<b>1427.08</b>	<b>683.31</b>	<b>298.88</b>	<b>256.28</b>	<b>2741.07</b>
<b>Closing Capital Cost</b>	-	<b>2721.03</b>	<b>4148.11</b>	<b>4831.42</b>	<b>5130.30</b>	<b>5386.58</b>	<b>5386.58</b>

in lakh)

19. The Petitioner has claimed 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 (separate REPEX has not been indicated). The details of the actual capital expenditure (CAPEX and REPEX for the period 2014-19), is as follows:

(₹ in lakh)

<b>Expenditure Head</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Civil Works	0.00	0.00	234.38	214.42	0.88	<b>449.68</b>
Power Supply	0.00	0.00	115.69	0.00	0.00	<b>115.69</b>
Air Conditioning	0.00	15.64	72.54	0.00	0.00	<b>88.18</b>
Scada Systems (Software)	0.00	217.19	0.00	1.95	0.00	<b>219.14</b>
Scada Systems (Hardware)	0.00	1177.59	0.00	0.12	0.21	<b>1177.92</b>
Other Infrastructure, including equipment	0.65	7.02	149.17	9.37	9.87	<b>176.08</b>
Communication System	0.00	0.00	59.83	0.00	0.00	<b>59.83</b>
IT Systems (Hardware)	4.00	0.26	37.24	63.52	56.82	<b>161.84</b>
IT Systems (Software)	70.87	9.38	14.46	9.50	188.50	<b>292.71</b>
<b>TOTAL</b>	<b>75.52</b>	<b>1427.08</b>	<b>683.31</b>	<b>298.88</b>	<b>256.28</b>	<b>2741.07</b>

20. Further, the Petitioner vide affidavit dated 7.10.2020 has submitted the cost break-up, as mentioned in the Auditor Certificate dated 18.10.2019, along with the clarifications for the aforementioned expenditure under the head "Other Infrastructure including equipment", as follows:

**Year-wise breakup of claimed expenditure under head "Other Infrastructure, including equipment"**

(₹ in lakh)

<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Furniture Like Chair Table, Sofa Set, Cabinet etc.	0.00	0.00	147.95	1.11	3.64	152.70
Office Equipment	0.65	7.02	1.22	8.26	5.55	22.70
TV	0.00	0.00	0.00	0.00	0.67	0.67
<b>Total</b>	<b>0.65</b>	<b>7.02</b>	<b>149.17</b>	<b>9.37</b>	<b>9.87</b>	<b>176.08</b>





21. Deviation in CAPEX / REPEX during control period 2014-19 is as follows:

(₹ in lakh)

S. N.	Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	Approved CAPEX/REPEX	75.53	2070.05	295.00	158.00	135.00	2733.58
2	Actual/ Claimed CAPEX/REPEX	75.52	1427.08	683.31	298.88	256.28	2741.07
	<b>Variation (Actual-Approved)</b>	<b>(0.01)</b>	<b>(642.97)</b>	<b>388.31</b>	<b>140.88</b>	<b>121.28</b>	<b>7.49</b>

22. The Break-up of variation in CAPEX is as follows:

(₹ in lakh)

CAPEX VARIATION	Approved	Actual	Variation: (Actual-Approved)	% variation
SCADA Hardware	25.00	0.00	-25.00	-100.00%
SCADA Software	80.00	0.00	-80.00	-100.00%
IT Hardware	108.00	161.84	53.84	49.85%
IT Software	474.88	292.71	-182.17	-38.36%
Power Supply	60.00	115.69	55.69	92.82%
Civil Works	610.00	449.68	-160.32	-26.28%
Air Conditioning System	0.00	88.18	88.18	100.00%
Communication System	0.65	59.83	59.18	9104.62%
Other infrastructure	20.00	176.08	156.08	780.40%
Any other	4.00	0.00	-4.00	-100.00%
<b>Total</b>	<b>1382.53</b>	<b>1344.01</b>	<b>-38.52</b>	<b>-2.79%</b>

23. The Breakup of variation in REPEX is as follows:

(₹ in lakh)

REPEX VARIATION	Approved	Actual	Variation: (Actual-Approved)	% variation
SCADA Hardware	1068.05	1177.92	109.87	10.29%
SCADA Software	168.00	219.14	51.14	30.44%
IT Hardware	51.00	0.00	-51.00	-100.00%
Power Supply	42.00	0.00	-42.00	-100.00%
Civil Works	20.00	0.00	-20.00	-100.00%
Other infrastructure	2.00	0.00	-2.00	-100.00%
<b>Total</b>	<b>1351.05</b>	<b>1397.06</b>	<b>46.01</b>	<b>3.41%</b>

24. The Petitioner has submitted that there is no major deviation in CAPEX/ REPEX utilization for the control period of 2014-19 w.r.t CAPEX/ REPEX allowed by





the Commission. However, variation of CAPEX/ REPEX in the year has got shifted to next year due to non-utilization in that particular year. Deviation in the CAPEX/ REPEX utilization is attributed to the following:

a) SCADA Hardware & Software

(i) Initially, CAPEX of ₹5 lakh (2015-16) and ₹1 crore (2018-19) was planned for additional PMUs under the PMU pilot project and for standalone DSA system and its integration with SCADA. However, with commissioning of URTDSM project with related applications, the procurement plan was shelved.

(ii) Deviation in expenses under SCADA is due to actual cost of SCADA systems replaced as compared to projected/ approved cost. There was also delay in project execution in some of the modules. Hence, balance payment for software and hardware (fireproof storage boxes) was released during 2017-18 and 2018-19. Also, portable hard disks (for storage of daily reports) were procured during 2017-18 for ₹0.12 lakh, which increased the SCADA HW expenses.

b) IT Hardware

(i) Major expenses under IT head were approved for 2015-16 and 2016-17 for IT infrastructure, office computer system and implementation of physical security system.

(ii) Buildings being under renovation, CAPEX for IT infrastructure, office computer system and access control system was not utilized in 2015-16 and was partly used in 2016-17 and further deferred to subsequent financial years. Accordingly, the amount was utilised in 2017-18 and 2018-19. The number of office computers and its price was more than the estimated price, which resulted in overall deviation. The changes in regulations of the Commission required changes in software application and required high-end servers as compared to earlier envisaged specifications which resulted in increased cost.

c) IT Software



(i) The software projects require extensive study and detailed engineering as well as complex execution. Moreover, automation and software applications required co-ordination among various functional departments and external agencies. Time-to-time change in regulatory provisions also affected the progress of such developments.

(ii) The development of scheduling and reporting application was delayed by the vendor. There was also delay in commissioning of the DBMS software. Accordingly, the expenses were incurred mainly during 2018-19 after commissioning of the software.

(iii) The overall IT software budget was underutilized due to the following reasons:

- a. Forecasting application envisaged initially got covered in REMC.
- b. Part amount for reporting software is scheduled for payment in next control period due to delay in commissioning.
- c. Ancillary services software was centralized and in-house application was developed.
- d. Development of some of the software applications like STOA System, CMS website, HR automation got deferred to next control period.

d) Civil Works, Air conditioning & Power Supply

(i) The SCADA upgradation project at SRLDC was envisaged with two components:

- a. SCADA Hardware and SCADA Software as a combined package.
- b. Renovation related Civil works as a complete package, which included civil works, Air conditioning, DG Set contract, was awarded together.

(ii) To ensure 24x 7 power supply availability to DCPC (data concentrator protocol convertor), 3 KVA UPS amounting to ₹22.03 Lakh were procured for SCADA project. The expenditure is shown under power supply as part of standard accounting practice although it was procured for SCADA Project.

(iii) Civil works renovation was awarded as a single package which included civil works, air conditioning and DG set. Accordingly, all the items were shown under civil works with a provision of ₹600 lakh in 2015-16



together while getting the approval in Petition No. 242/TT/2015. However, after actual expenditure, the same has been shown in respective category viz. civil works, air-conditioning and power supply in auditor certificate in line with the standard accounting practices.

(iv) The provision was kept in 2015-16. However, due to delay by the contractor, part payments were made in 2015-16 and subsequent years based on progress. Overall, there is not much variation during the Control Period.

e) Communication System

(i) The expenditure of ₹59.83 lakh pertains to video conferencing which was supplied as part of SCADA project. Hence, separate provision was not made in CAPEX. The expenditure is shown under communication system as part of standard accounting practice although it was supplied under SCADA Project.

f) Other Infrastructure including equipment

(i) Other infrastructures such as chairs, tables, sofa, storage units were procured for renovation of office. IP camera was procured for security purpose. Water purifier, shredding machine, pantry appliances, gym equipment, sports items etc. were purchased based on the necessity.

(ii) The above expenses were not specifically projected in the CAPEX/ REPEX but were purchased on need basis and booked under 'Other Infrastructure including equipment' head.

25. Regulations 6(5) and 10(1) of the 2015 RLDC Fees Regulations are 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.”*



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**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.”*

Xxxxx

26. Proviso to 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 expenses against the head ‘furniture’ amounting to ₹ 152.70 lakh; ‘Office Equipment and electrical appliances’ amounting to ₹ 22.70 lakh; and TV with a value of ₹ 0.67 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.

27. The Petitioner, *vide* affidavit dated 7.10.2020, has submitted details under the heads ‘Other Infrastructure, including equipments’, along with the Auditor’s Certificate. Accordingly, the expenditure under the heads ‘Other Infrastructure, including equipment’, that fall under the category of minor items and assets, are not allowed.

28. We observe that expenditure booked under CAPEX/ REPEX is related to strengthening communication system, safety enhancement and providing basic infrastructure facilities. Deviation in allowed/ claimed expenditure in other heads is also due to delay in award of contracts and cost reduction of IT system/ software.



Accordingly, we find that the above claimed capital expenditures incurred by the Petitioner is justified. Therefore, we allow the CAPEX/ REPEX claimed by the Petitioner.

29. Thus, the trued up Additional Capitalisation 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 is as follows:

(₹ in lakh)						
<b>Expenditure Head</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Civil Works	0.00	0.00	234.38	214.42	0.88	<b>449.68</b>
Power Supply	0.00	0.00	115.69	0.00	0.00	<b>115.69</b>
Air Conditioning	0.00	15.64	72.54	0.00	0.00	<b>88.18</b>
SCADA Systems (Software)	0.00	217.19	0.00	1.95	0.00	<b>219.14</b>
SCADA Systems (Hardware)	0.00	1177.59	0.00	0.12	0.21	<b>1177.92</b>
Communication System	0.00	0.00	59.83	0.00	0.00	<b>59.83</b>
IT Systems (Hardware)	4.00	0.26	37.24	63.52	56.82	<b>161.84</b>
IT Systems (Software)	70.87	9.38	14.46	9.50	188.50	<b>292.71</b>
<b>TOTAL</b>	<b>74.87</b>	<b>1420.06</b>	<b>534.14</b>	<b>289.51</b>	<b>246.41</b>	<b>2564.99</b>

30. The Commission vide order dated 29.12.2016 in Petition No. 242/TT/2015 had observed the following:

*"22. The petitioner has submitted that the REPEX and CAPEX claimed shall be funded through LDC Fund. As per Form 4D, submitted by the petitioner along with the petition, 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 no actual equity.*

*23. The expenditure on CAPEX and REPEX is allowed to be met from the LDC funds. The expenditure shall be reflected in the Books of SRLDC. 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."*



31. It is clear from the above that the Commission has already taken cognizance of the fact that the additional capitalization incurred by the Petitioner on account of CAPEX has been funded through LDC Funds. Accordingly, the above allowed Additional Capital Expenditure i.e. CAPEX/REPEX is allowed to be met from LDC funds. However, the said expenditure towards additional capital expenditure 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**

32. The details of de-capitalisation agreed vide order dated 29.12.2016 in Petition No. 242/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
Building & Other Civil Works	0.00	0.00	6.95	0.00	0.00
Auxiliary Power Supply System	0.00	36.54	34.46	0.00	0.00
Office Furniture and furnishing (including Communication Equipment)	0.00	4.48	4.47	0.00	0.00
SCADA Hardware with Test Equipment & Spares (IT Equipment)	0.00	889.12	15.50	15.50	4.51
Software (IT Equipment)	0.00	1148.24	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>2078.38</b>	<b>61.38</b>	<b>15.50</b>	<b>4.51</b>

33. 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
Power Supply	-	-	-	8.96	0.00	8.96
Air Conditioning Systems-Portable	-	-	0.30	-	-	0.30
Scada Systems (Software)	-	1078.31	0.00	10.63	-	1088.94
Scada Systems (Hardware)	0.10	791.55	1.98	36.61	1.20	831.44
Other Infrastructure, including Communication System	6.01	13.85	0.85	0.00	2.32	23.03
	1.25	-	-	1.63	-	2.88



<b>Asset Description</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
IT Systems (Hardware)	-	1.39	2.12		11.27	11.27
<b>TOTAL</b>	<b>7.36</b>	<b>1885.10</b>	<b>5.25</b>	<b>57.83</b>	<b>14.79</b>	<b>1970.33</b>

34. We observe that major part of the de-capitalization of ₹1885.10 lakh was in FY 2015-16 as new SCADA system was commissioned on 31.12.2015 and old SCADA system with cumulative cost of around ₹11500 lakh, was de-capitalized. The Petitioner has also submitted that the old SCADA system was commissioned in the FY 2004-2005. Therefore, the de-capitalization has been carried out as per Regulation 10(2) of the 2015 RLDC Fees Regulations.

35. The Petitioner has submitted that CAPEX claimed has been funded through LDC Fund. This is also clear from the Form-4D submitted with the petition that the loan portion (i.e. 70%) of additional capital expenditure during 2014-19 period has been funded through LDC Fund and equity portion (i.e. 30%) is notional equity.

36. 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.”*

37. Keeping in view the above, additional capital expenditure, as claimed in the petition and as discussed in paragraphs 29 and 31 of this order, is not being allowed for the purpose of fee and charges calculations. However, de-capitalization, as indicated in paragraph 33 has been carried out as per Regulation 10(2) of the 2015 RLDC Fee Regulations.

### **Debt-Equity Ratio**

38. 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."*

39. The Commission, vide order dated 29.12.2016 in Petition No. 242/TT/2015, had approved debt-equity ratio of 88.76:11.24 as on 1.4.2014. Accordingly, in the present Petition, the admitted debt-equity ratio as on 1.4.2014 is 88.76:11.24. Also, the Commission vide order dated 26.12.2016 in Petition No. 243/TT/2015 had consciously decided to segregate the de-capitalized amount into the same debt equity ratio as that considered on 1.4.2014. Therefore, in the instant petition too, the de-capitalized amount has been segregated into debt equity ratio of 88.76:11.24. The details of the debt-equity ratio as on 1.4.2014 and 31.3.2019 considered for the purpose of true up of SRLDC fee and charges 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	2348.06	88.76%	599.27	88.76%
Equity	297.45	11.24%	75.91	11.24%
<b>Total</b>	<b>2645.51</b>	<b>100.00%</b>	<b>675.18</b>	<b>100.00%</b>

### Return on Equity (ROE)





40. 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)."*

41. 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 orders thereof. In response, the Petitioner vide affidavit dated 24.6.2020 has submitted copies of year-wise Income Tax returns from FY 2014-15 to 2018-19. The Petitioner also submitted the assessment orders in respect of POSOCO for FY 2014-15 and FY 2015-16, for which assessment by the Income Tax Department has been completed.

42. 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: -

<b>Year</b>	<b>Effective tax (in %)</b>	<b>Grossed up ROE (Base Rate/1-t) (in %)</b>
2014-15	33.990	23.481
2015-16	34.608	23.703
2016-17	34.608	23.703
2017-18	34.608	23.703
2018-19	29.120	21.868



43. 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	297.45	296.62	84.67	84.08	77.58
Addition due to Additional Capitalization/ reduction due to de-capitalisation	-0.83	-211.95	-0.59	-6.50	-1.66
Closing Equity	296.62	84.67	84.08	77.58	75.91
Average Equity	297.04	190.65	84.37	80.83	76.75
Return on Equity (Base Rate) %	15.50	15.50	15.50	15.50	15.50
Effective Tax Rate %	33.990	34.608	34.608	34.608	29.120
Rate of Return on Equity (Pre-tax) %	23.481	23.703	23.703	23.703	21.868
<b>Return on Equity (Pre-tax)</b>	<b>69.75</b>	<b>45.19</b>	<b>20.00</b>	<b>19.16</b>	<b>16.78</b>

### Interest on Loan (IOL)

44. The Petitioner has not claimed Interest on Loan component for 2014-19 period as the principal portion of the loan has been repaid fully and there is no positive additional capital expenditure during 2014-19.

### Depreciation

45. 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."*

46. 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.



47. 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 (WAROD) 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	2645.51	2638.15	753.05	747.80	689.97
Additional Capital expenditure/ reduction due to de- capitalisation	-7.36	-1885.10	-5.25	-57.83	-14.79
Closing Gross Block	2638.15	753.05	747.80	689.97	675.18
Average Gross Block	2641.83	1695.60	750.43	718.89	682.58
Average Gross Block of Non-IT assets	258.97	248.42	240.92	235.05	228.59
Average Gross Block of IT assets	2382.86	1447.19	509.51	483.84	453.99
Weighted Average Rate of Depreciation (WAROD) (%)	21.06%	19.72%	14.99%	14.95%	14.92%
Depreciable Value (excluding IT equipment and software) 90%	233.07	223.57	216.82	211.54	205.73
Depreciable value of IT equipment and software: 100%	2382.86	1447.19	509.51	483.84	453.99
<b>Total Depreciable Value</b>	<b>2615.93</b>	<b>1670.76</b>	<b>726.33</b>	<b>695.38</b>	<b>659.72</b>
Cumulative Depreciation up to 31.3.2014 ( <i>restricted to total depreciable value</i> )	<b>2615.93</b>				
Remaining Depreciable Value (Total Dep value <i>minus</i> Cum Dep up to previous year)	0.00	0.00	0.00	0.00	0.00
<b>Depreciation</b> ( <i>min of Remaining Dep value or Depreciation as per WAROD</i> )	0.00	0.00	0.00	0.00	0.00
Cumulative Depreciation (including dep adjusted due to de- cap)	2608.03	744.63	739.44	682.26	667.63

## **Operation and Maintenance Expenses (O&M Expenses)**

48. Regulation 20 of the 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."*

49. Summary of the O&M Expenses approved by the Commission vide order dated 29.12.2016 in Petition No. 242/TT/2015 and additional O&M expenses approved vide order dated 10.6.2019 in Petition No. 344/MP/2018, are as follows:

Particulars	(₹ in lakh)					
	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
O&M Expenses excluding Human Resource Expenses	718.62	490.17	435.80	514.28	550.92	2709.79
Additional O&M expenses (Order in Petition no. 344/MP/2018 dated 10.6.2019)					9.08	9.08
<b>Sub-Total O&amp;M</b>	<b>718.62</b>	<b>490.17</b>	<b>435.80</b>	<b>514.28</b>	<b>560.00</b>	<b>2718.87</b>



50. The actual O&M 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
Repair and Maintenance (R&M) Expenses	404.23	139.35	41.57	101.35	119.88	806.38
Administration and General (A&G) Expenses	285.52	334.11	375.13	419.66	487.43	1901.85
<b>Total O&amp;M Expenses excluding Human Resource Expenses</b>	<b>689.75</b>	<b>473.46</b>	<b>416.70</b>	<b>521.01</b>	<b>607.31</b>	<b>2708.23</b>

51. The Petitioner has submitted that the actual expenditure incurred under O&M expenses is lower than the O&M expenses approved by the Commission. There is reduction in O&M expenses from 2014-15 to 2016-17 and increase in O&M expenses from 2017-18 and 2018-19. The Petitioner has submitted following reasons for variation in the actual expenses w.r.t the expenses approved by the Commission:

- a) The Commission vide order dated 29.12.2016 in Petition No. 242/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 PGCIL w.e.f. 3.1.2017 and has become an independent company, wholly owned by the Government of India. Fresh recruitment was made in different streams and office space was renovated in SRLDC to accommodate the additional manpower.
- c) POSOCO, being knowledge-based organization, has been actively involved in the capacity building of its employees. This has also significantly contributed in the training and organizational development expenses.

52. Further, the Petitioner vide affidavit dated 7.10.2020 has submitted the justification and cost break-up of both R&M (repair and maintenance) expenses and A&G (administrative and general) expenses, which are discussed in the following paragraphs:



### **Repair and Maintenance Expenses (R&M Expenses)**

53. The Petitioner has submitted the details of actual Repair and Maintenance Expenses incurred. The Petitioner has also submitted Auditor certificate for the same.

(₹ in lakh)

Account Head	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Consumption of Stores and Spares	0.00	0.00	0.00	0.48	0.96	1.44
Plant and Machinery Repairs and Maintenance	1.10	1.10	0.00	0.85	13.12	16.17
Civil Works repairs and maintenance	10.35	13.57	20.20	32.62	34.96	111.70
Others	18.76	21.55	21.37	22.38	20.87	104.94
Total:	30.21	36.22	41.57	56.33	69.91	234.24
AMC SCADA	374.02	103.13	0.00	45.02	49.97	572.14
<b>Total</b>	<b>404.23</b>	<b>139.35</b>	<b>41.57</b>	<b>101.35</b>	<b>119.88</b>	<b>806.38</b>

54. The Petitioner vide its affidavit dated 7.10.2020 has submitted the break-up of the component 'Others' under the head "Repairs and Maintenance Expenses" as under:

(₹ in lakh)

Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
AMC for software system	7.13	9.84	6.38	9.10	10.71	43.16
AMC for IT Systems	4.49	5.98	8.37	6.22	3.24	28.31
AMC for infrastructure items	7.14	5.73	6.62	7.06	6.92	33.47
Total	18.76	21.55	21.37	22.38	20.87	104.94

### **AMC SCADA charges**

55. As per Regulation 20(5) of the RLDC Fees and Charges Regulations, the Petitioner is required to submit actual expenditure towards AMC of SCADA system. In compliance, the Petitioner vide affidavit dated 7.10.2020 has submitted the details of AMC of SCADA as follows:

(₹ in lakh)



Items	2014-15	2015-16	2016-17	2017-18	2018-19	Total
AMC of SCADA approved vide Order dtd 29.12.2016 in Petition No. 242/TT/2015	343.60	85.90	0.00	44.50	44.50	518.50
AMC of SCADA as per Actuals submitted in the subject petition	374.02	103.13	0.00	45.02	49.97	572.14
<b>Difference (Actual – Approved)</b>	<b>30.42</b>	<b>17.23</b>	<b>0.00</b>	<b>0.52</b>	<b>5.47</b>	<b>53.64</b>

56. The Petitioner has submitted that during 2014-15 and 2015-16, commissioning of new SCADA was delayed due to various reasons attributable to the vendor. Accordingly, existing SCADA AMC was extended while new system was being commissioned. The Petitioner has also submitted letters of award as documentary proofs of AMC of SCADA for 2014-15 and 2015-16.

57. The Petitioner has further submitted that during 2016-17, 2017-18 and 2018-19 i.e. remaining years of the 2014-19 control period, warranty duration of new SCADA system was from March 2016 to May 2017. Payments for warranty for first three quarters of 2017-18 were done in 2017-18. While for the fourth quarter, payment was done in 2018-19. The Petitioner has attached supporting documents for AMC of SCADA for 2016-17, 2017-18 and 2018-19.

58. We have considered the submissions of the Petitioner. On perusal of supporting documents and justifications submitted by the Petitioner, we approve the actual expenditure incurred by the Petitioner for AMC of SCADA.

59. Accordingly, the allowable Repair and Maintenance Expenses for the Control period 2014-19 are as follows:

(₹ in lakh)						
Items	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Consumption of Stores and Spares	0.00	0.00	0.00	0.48	0.96	1.44
Plant and Machinery Repairs and Maintenance	1.10	1.10	0.00	0.85	13.12	16.17





Civil Works repairs and maintenance	10.35	13.57	20.20	32.62	34.96	111.70
Others	18.76	21.55	21.37	22.38	20.87	104.93
Total:	30.21	36.22	41.57	56.33	69.91	234.24
AMC SCADA	374.02	103.13	0.00	45.02	49.97	572.14
<b>Total</b>	<b>404.23</b>	<b>139.35</b>	<b>41.57</b>	<b>101.35</b>	<b>119.88</b>	<b>806.38</b>

60. The petitioner has submitted the details of actual Administrative & General Expenses and has also submitted Auditor's certificate for the same. The details submitted by the Petitioner are as under:-

(₹ in lakh)

Items	2014-15	2015-16	2016-17	2017-18	2018-19	Total
<b>Property related expenses</b>						
Rent	0.00	0.00	0.00	0.00	0.00	0.00
Rates and Taxes	0.07	0.06	0.08	0.10	0.04	0.35
Insurance	1.05	0.84	0.90	0.87	0.96	4.62
<b>Sub Total.</b>	<b>1.12</b>	<b>0.90</b>	<b>0.98</b>	<b>0.97</b>	<b>1.00</b>	<b>4.97</b>
<b>Communication</b>						
Telephone and Trunk Call	7.64	11.44	8.67	14.81	14.55	57.11
Postage and Telegram	2.04	2.34	1.80	1.10	0.93	8.21
Courier Charges	0.01	0.07	0.03	0.05	0.00	0.16
Other (Internet Leased Line Charges)	9.96	11.74	38.14	13.76	8.76	82.36
<b>Sub Total</b>	<b>19.65</b>	<b>25.59</b>	<b>48.64</b>	<b>29.72</b>	<b>24.24</b>	<b>147.84</b>
<b>Professional charges</b>						
Legal Expenses	2.55	0.03	0.78	1.26	0.76	5.38
Consultancy Charges	1.35	6.51	1.50	3.02	0.07	12.45
Technical Fees	0.16	1.07	0.26	0.71	2.05	4.25
Audit Fees	1.92	3.71	3.04	3.24	2.60	14.51
Other Charges	1.05	0.77	0.52	0.28	2.29	4.91
<b>Sub Total</b>	<b>7.03</b>	<b>12.09</b>	<b>6.10</b>	<b>8.51</b>	<b>7.77</b>	<b>41.50</b>
<b>Conveyance and travelling</b>						
Conveyance Charges	21.59	21.80	22.76	24.11	39.08	129.34
Travelling Charges	62.43	60.97	62.27	70.62	93.00	349.29
Hire Charges of Vehicle	11.72	10.30	15.18	13.58	17.51	68.29
<b>Sub Total</b>	<b>95.74</b>	<b>93.07</b>	<b>100.21</b>	<b>108.31</b>	<b>149.59</b>	<b>546.92</b>
<b>Other Expenses</b>						
Electricity Charges	37.16	58.60	60.92	82.12	102.68	341.48
Fees and Subscription	0.00	0.65	0.73	0.00	0.77	2.15
Books and Periodicals	0.13	0.07	0.40	0.20	0.23	1.03
Printing and Stationery	1.48	1.79	1.88	3.27	1.33	9.75
Advertisement	0.00	0.00	0.00	0.00	4.52	4.52
Entertainment	1.57	2.29	2.23	3.95	4.23	14.27





Watch and Ward	43.29	47.72	55.41	91.76	86.48	324.66
Miscellaneous	61.12	61.91	62.47	38.88	68.48	292.86
Organizational Development Expenses	6.90	14.23	17.01	13.44	7.88	59.46
Donation	0.00	0.00	0.00	0.00	0.00	0.00
Training	3.90	7.08	8.79	28.45	16.73	64.95
Water Charges	1.15	2.28	3.32	3.56	3.15	13.46
Meeting Expenses	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total.</b>	<b>102.23</b>	<b>146.62</b>	<b>168.29</b>	<b>234.59</b>	<b>262.86</b>	<b>1128.59</b>
<b>Additional expenses</b>						
EDP Expenditure	5.28	5.84	6.04	6.52	8.35	32.03
<b>Sub Total</b>	<b>5.28</b>	<b>5.84</b>	<b>6.04</b>	<b>6.52</b>	<b>8.35</b>	<b>32.03</b>
<b>Total</b>	<b>231.05</b>	<b>284.11</b>	<b>330.26</b>	<b>388.62</b>	<b>453.81</b>	<b>1901.85</b>

61. The Commission vide order dated 29.12.2016 in Petition No. 242/TT/2015 had observed the following:

*“38. 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 30.8.2015 in Petition No. 222/MP/2015 that the expenditure incurred for training the personnel from SLDC would be met from the LDC Fund. Since the expenditure on training of the personnel of SRLDC has been considered as part of the O&M Expenses of SRLDC, the same shall be met from the O&M Expenses. Accordingly, the training expenditure related to employees of POSOCO (SRLDC) 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.”*

62. The Petitioner vide affidavit dated 7.10.2020 has submitted that “Organizational Development Expenses” include expenses such as fees paid to PSTI, NPTI, Power Research & Development Consultants Private Limited, IIMs, ESCI and Internal faculties on training of Power System Operations, Power System Protection, Renewable Energy Sources and Grid Integration, PSSE software, Seminar expenses etc. We observe that the Petitioner has complied with the directions of the Commission mentioned in para 61. Accordingly, the expenditure incurred under Organizational Development Expenses is allowed.

63. Regarding expenses under the 'Training' sub-head in Administrative & General Expenses, the Petitioner has submitted that these expenses were incurred for their own employees. Hence, we allow such expenses to be recovered as part of O&M expenses. We observe that there is mixing up of expenses under "Training" and "Organizational Development Expenses". We direct the Petitioner to have a transparent policy for categorising expenses under "training" and "Organisational Development Expenses" so as to avoid any overlap.

64. The Petitioner has stated that "Other Charges" under "Professional Charges" include expenses for payment to different security agencies for watch and ward. The Petitioner has also submitted the break-up of expenses in sub-head "Others" under the head 'R&M Expenses' and break-up of expenses in "Miscellaneous" under the head 'A&G Expenses'. Details of head "Miscellaneous" under other expenses is as under:

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Expenses on Meetings	0.45	0.11	6.52	2.36	11.08	20.52
Safety/ Hindi/ Vigilance/ Environment day celebrations	3.02	2.99	3.20	5.33	5.22	19.76
Cultural Meet Expenses	0.00	5.38	3.01	0.08	5.23	13.62
Rebate to customers	54.47	50.00	44.87	31.04	33.62	214.00
National Day/ Ceremonial Expenses	1.13	0.88	1.38	0.02	12.05	15.46
Expenses such as Parliamentary Committee Expenses, Brokerage & Commission-Office & Residential accommodation, Horticulture expenses etc.	2.05	2.54	3.50	0.12	1.28	9.50
<b>Total</b>	<b>61.12</b>	<b>61.91</b>	<b>62.47</b>	<b>38.88</b>	<b>68.48</b>	<b>292.86</b>

65. We have perused the submissions made by the Petitioner. We observe that under head "Miscellaneous" in A&G expenses, the Petitioner has shown expense of ₹214.00 lakh on account of Rebate to Customers. Rebate is allowed to the Users by RLDCs or NLDC on gross bill amount as per the provisions of Regulation 34 of the

2015 RLDC Fees Regulations. It cannot be allowed to be realized back from the Users under fees and charges. Accordingly, Rebate to Customers is not being allowed as part of A & G Expenses.

66. We observe that the Petitioner has incurred substantial amount on meetings, cultural meet, National Day/ ceremonial expenses, safety/ Hindi/ vigilance/ Environment Day celebrations etc. We note that expenditure incurred by the Petitioner during 2014-19 under aforesaid heads is ₹ 69.36 lakh. In our view, expenditure on celebrations and ceremonial expenses needs to be incurred prudently, keeping in view the economy measures and DPE Guidelines, if any, in this regard. Alternatively, the Board approved guidelines should be followed so as to avoid any unreasonable expenditure. The Petitioner is required to ensure that the planned expenses corresponding to such items are furnished at the time of seeking approval for fees and charges for the next control period. We are, however, allowing these expenses under 'Miscellaneous' head for the current control period with a direction to the Petitioner to be more prudent while incurring such expenses in future.

67. Consequently, the expenditure under the head "Miscellaneous", allowable as a part of Administrative & General Expenses for the Control period 2014-19 is as under:

(₹ in lakh)						
Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Expenses on Meetings Claimed	0.45	0.11	6.52	2.36	11.08	20.52
Safety/ Hindi/ Vigilance/ Environment day celebrations	3.02	2.99	3.20	5.33	5.22	19.76
Cultural Meet Expenses	0.00	5.38	3.01	0.08	5.22	13.62
National Day/Ceremonial Expenses	1.13	0.88	1.38	0.02	12.05	15.46
Expenses such as Parliamentary Committee Expenses, Brokerage & Commission-Office & Residential accommodation, Horticulture expenses etc.- Claimed	2.05	2.54	3.50	0.12	1.28	9.50

<b>Total</b>	<b>6.65</b>	<b>11.90</b>	<b>17.61</b>	<b>7.91</b>	<b>34.86</b>	<b>78.86</b>
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68. Accordingly, the allowable Administrative & General Expenses for the Control period 2014-19 are as under:

(₹ in lakh)

Items	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Property related expenses	1.12	0.90	0.98	0.97	1.00	<b>4.97</b>
Communication	19.65	25.59	48.64	29.72	24.24	<b>147.84</b>
Professional charges	7.03	12.09	6.10	8.51	7.77	<b>41.50</b>
Conveyance and travelling	95.74	93.07	100.21	108.31	149.59	<b>546.92</b>
Other Expenses	102.23	146.62	168.29	234.59	262.86	<b>914.59</b>
Additional Expenses	5.28	5.84	6.04	6.52	8.35	<b>32.03</b>
<b>Total</b>	<b>231.05</b>	<b>284.11</b>	<b>330.26</b>	<b>388.62</b>	<b>453.81</b>	<b>1687.85</b>

69. Thus, the allowable tried-up O&M Expenses for SRLDC as per the 2015 RLDC Fees Regulations for the control period 2014-19 are as follows:

(₹ in lakh)

O & M Expenses	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Administrative and General Expenses, etc.	231.05	284.11	330.26	388.62	453.81	1687.85
Repairs and Maintenance	404.23	139.35	41.57	101.35	119.88	806.38
<b>Total O&amp;M Expenses</b>	<b>635.28</b>	<b>423.46</b>	<b>371.83</b>	<b>489.97</b>	<b>573.69</b>	<b>2494.23</b>

### **Human Resource Expenses (HR Expenses)**

70. 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.”*

71. Summary of the HR Expenses approved by the Commission vide order dated 29.12.2016 in Petition No. 242/TT/2015 and additional HR Expenses approved vide order dated 10.6.2019 in Petition No. 344/MP/2018, are as follows:

**(₹ in lakh)**

<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Human Resource Expenses (Order in Petition no. 242/TT/2015 dated 29.12.2016)	1240.15	1336.88	1441.15	1553.55	1674.73	<b>7246.46</b>
Pay Revision (Order in Petition no. 344/MP/2018 dated 10.6.2019)	0.00	0.00	60.25	283.68	315.63	<b>659.56</b>
Certification Linked Incentive (Order in Petition no. 344/MP/2018 dated 10.6.2019)	0.00	0.00	0.00	0.00	125.70	<b>125.70</b>



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	Total
<b>Total HR Expenses</b>	<b>1240.15</b>	<b>1336.88</b>	<b>1501.40</b>	<b>1837.23</b>	<b>2116.06</b>	<b>8031.72</b>

72. 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
<b>SALARY AND ALLOWANCE</b>						
Salaries	323.58	320.94	327.76	332.28	811.84	2116.40
Dearness allowance	308.90	342.05	384.97	407.81	112.78	1556.51
Other Allowances	156.31	159.97	163.60	165.96	299.07	944.91
Productivity link Incentive	0.00	0.00	0.00	0.00	125.70	125.70
Wage Revision Provisional Expenses	0.00	0.00	60.25	283.68	39.70	383.63
<b>Sub Total</b>	<b>788.79</b>	<b>822.96</b>	<b>936.58</b>	<b>1189.73</b>	<b>1389.09</b>	<b>5127.15</b>
<b>OTHER STAFF COST</b>						
Reimbursement of Medical Expenses	50.91	56.95	49.70	49.51	56.45	263.52
Reimbursement of House Rent/ Lease	116.85	118.00	121.40	111.32	174.42	641.99
Encasement of earned Leaves	99.90	89.89	86.15	110.85	128.80	515.59
<b>Sub Total</b>	<b>267.66</b>	<b>264.84</b>	<b>257.25</b>	<b>271.68</b>	<b>359.67</b>	<b>1421.10</b>
Staff welfare Expenses	26.95	16.59	30.30	39.09	72.64	185.57
Terminal Benefits	178.37	220.36	249.96	193.65	327.51	1169.85
<b>Sub Total.</b>	<b>205.32</b>	<b>236.95</b>	<b>280.26</b>	<b>232.74</b>	<b>400.15</b>	<b>1355.42</b>
<b>Total</b>	<b>1261.77</b>	<b>1324.75</b>	<b>1474.09</b>	<b>1694.15</b>	<b>2148.91</b>	<b>7903.67</b>

73. The Petitioner has submitted following reasons for decrease in the actual HR expenses w.r.t the expenses approved by the Commission:

- a) Up to 2016-17, manpower had almost remained unchanged. Although, there is gradual addition to the manpower (mainly Executive/ Diploma Trainees) every year, yet 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 2017-18, though manpower has increased, but the actual amount of HR expenses remained same as that of the approved expenses. This is due to the fact that increase in manpower was primarily at the induction level and there was substantial gap in the remuneration of employees getting retired and those being recruited at the trainee Level.

74. The Commission *vide* ROP of hearing dated 25.2.2020 directed the Petitioner to furnish Form 7B with complete details of expenses in different heads, like bonus, ex-gratia, VRS and revenue recovered (if any) and breakup of head 'Staff Welfare Expenses' in the said form. In response, the Petitioner *vide* affidavit dated 16.3.2020 has submitted that such expenses have been 'Nil'. Further, the Petitioner has enclosed the break-up of head 'Staff Welfare Expenses' along with other information.

75. The Commission directed the Petitioner to clarify if the Productivity Linked Incentive in Form 7B referred to Performance Linked Incentive or Certification Linked Incentive or any other amount. The Petitioner was also directed to submit the details of the Performance Linked Incentive allowed by the Commission, audited actual incentive recovered from the Users and audited figures of incentive disbursed/ paid to employees for the period 2014-19. The Petitioner was further asked to submit the details of the Certificate Linked Incentive allowed by the Commission in Petition No. 344/MP/2018 for period 2014-19 vs. Audited actual disbursed to the employees. The Commission also directed the Petitioner to submit detailed note on methodology followed by POSOCO as per DPE for PRP calculation for 2014-19 period for yearly Performance Linked Incentive claimed/ recovered from the Users.

76. In response, the Petitioner *vide* affidavit dated 16.3.2020 has submitted that the amount shown under the head 'Productivity Linked Incentive' refers to the amount provisioned towards payment of 'Certificate Linked Incentive'. The Petitioner has enclosed the Auditor Certificate and details of actual revenue collected from the



Users for the control period 2014-19. Further, the Petitioner has submitted that the 'PLI' allowed by the Commission is same as recovered from the Users as mentioned in the attached Certificate. The Petitioner has also enclosed the detailed note on methodology followed by POSOCO as per DPE for PRP calculation for 2014-19 period for yearly Performance Linked Incentive claimed/ recovered from the Users.

77. We have considered the submissions of the Petitioner in the instant Petition. We have also perused order dated 31.3.2016 in Petition No. 519/TT/2014, order dated 29.12.2016 in Petition No. 242/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.

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

<b>Description</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Actual Manpower deployed in SRLDC (NOS.)	69	65	67	75	75

79. It is observed that there is considerable increase in component "salaries" in year 2018-19 over year 2017-18. Considering the pay revision effective from January 2017 and the increase in manpower, the increase in Salaries appears justified.

80. *Vide* affidavit dated 16.3.2020, the Petitioner has furnished the cost break-up of "Staff Welfare Expenses" indicated in the Auditor Certificate dated 18.10.2019, as under:





**Details of head “Staff Welfare Expenses” in HR Expenses Form 7B**

(₹ in lakh)

Description	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Other Employee Welfare Expenses	19.38	2.65	8.2	7.79	10.64	48.66
Reimbursement of Employees Welfare Exp.	0.43	0.19	0.49	0.06	0.03	1.20
PF and other Funds Administration Charge	1.14	1.19	2.62	5.41	6.00	16.36
Games and Sports Expenses	0.25	0.19	0.56	0.19	12.53	13.72
Awards to Employees	2.45	8.99	15.06	18.65	0.04	45.19
Safety Appliances and Expenses	0.00	0.00	0.21	0.13	0.65	0.99
Reimbursement of Parking Charges to Employees	0.00	0.00	0.01	0.08	0.01	0.10
Family Planning - Cash Incentives	2.16	1.92	1.98	1.73	1.33	9.12
Canteen Expenses	-	0.00	0.67	0.00	0.00	0.67
Liveries and Uniforms	1.14	1.46	0.5	5.05	41.41	49.56
<b>Total</b>	<b>26.95</b>	<b>16.59</b>	<b>30.3</b>	<b>39.09</b>	<b>72.64</b>	<b>185.60</b>

81. We observe from the above table that the Petitioner has claimed expenditure of ₹45.19 lakh against “Awards 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.

82. 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:

**Details of head ‘Other Employee Welfare Expenses’ under “Staff Welfare Expenses” in HR Expenses Form 7B**

(₹ in lakh)

DESCRIPTION	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Other Misc. such as expenses on Preventive Health Check-up of Employees, Republic day, Independence Day expenses,	19.38	2.66	8.20	7.79	10.64	48.66



etc.						
<b>Total</b>	<b>19.38</b>	<b>2.66</b>	<b>8.20</b>	<b>7.79</b>	<b>10.64</b>	<b>48.66</b>

83. We note that under "Other Employee Welfare expenses", the Petitioner has claimed multiple expenses clubbed together and includes expenditure related to Republic Day and Independence Day. The expenditure shown under this head has wide variation, year-to-year, in the range of about ₹2.66 lakh to ₹19.38 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.

84. The Petitioner has submitted Auditor's Certificate dated 18.10.2019 indicating the expense of ₹125.70 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 this expenditure in this control period. Moreover, the Performance Linked Incentive (PRP) payments made by the Petitioner are being dealt by the Commission in separate petitions of PLI filed by the Petitioner.

85. The Petitioner *vide* affidavit dated 7.10.2020 has submitted that expenses under the head "Other Allowances", Perks and allowances @49% (before 3<sup>rd</sup> pay revision) & 35% (after 3<sup>rd</sup> pay revision) of basic pay as permitted under the concept of "Cafeteria Approach" in accordance with 2<sup>nd</sup> and 3<sup>rd</sup> Pay Revision Guidelines of DPE respectively have been booked.

86. 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 and 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 from beneficiaries/ Users.

87. The Petitioner *vide* affidavit dated 7.10.2020 has submitted that the Petitioner had inadvertently missed to include, in the Petition, the expenses against IND AS w.e.f. 2016-17 in Staff Welfare expenses. However, the Petitioner has, now, sought 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
SRLDC	8.16	1.66	49.16	58.98

88. The Petitioner has submitted that the Ministry of Corporate Affairs (MCA), in 2015, 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.

89. 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.



90. The Petitioner has submitted that both the above conditions are met in case of loans provided by the POSOCO to its employees. Hence, said asset is required to be valued as per IND AS.

91. 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
<b>Total</b>	<b>79.27</b>	<b>37.21</b>	<b>292.36</b>	<b>408.84</b>

92. 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 under the head ‘Staff Welfare Expenses’.

93. We have considered the submissions of the Petitioner. Paragraph 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.”*

94. It is observed that loans have been provided by POSOCO 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 fees and charges calculations.

95. 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	1261.77	1324.75	1474.09	1694.15	2148.91	<b>7903.67</b>
HR Expenses Allowed	1261.77	1324.75	1474.09	1694.15	2023.21	7777.97

96. 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 & REPEX	2741.07	2564.99	
2	O&M Expenses (Excluding Human Resource Expenses)	2708.23	2494.23	
3	Human Resource Expenses	7903.67	7777.97	

97. As explained in paragraph 31 of this Order, the allowed CAPEX is not being considered for working out the Fee and Charges.

### **Apportioned NLDC Charges & Corporate Office expenses**

98. Regulation 23(3) of the 2015 RLDC Fees Regulations provide as under:

*"(3) All expenses of NLDC and Corporate Office expenses approved by the Commission shall be apportioned to the Regional Load Despatch Centre on the basis of the peak demand served (in MW) in the respective region as indicated in CEA's website for the preceding year."*

99. Accordingly, the NLDC charges and corporate office expenses are to be apportioned to the Regional Load Despatch Centres on the basis of the demand served in the respective Region. The Petitioner has submitted region-wise peak demand met during 2014-19 period. Vide Order dated 25.2.2021 in Petition No. 430/MP/2019, Commission has allowed the NLDC charges and corporate office expenses. Therefore, on the basis of the peak demand served, the year-wise NLDC charges and corporate office expenses apportioned to SRLDC have been worked out as under:

						(₹ in lakh)
Description	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Apportioned NLDC Charges & Corporate Office expenses to SRLDC	758.94	653.61	711.82	1033.71	1472.14	4630.21

### **Interest on Working Capital**

100. Regulation 22 of the 2015 RLDC Fees Regulations provide as under:-

*"22. Interest on Working Capital:*

*(1) The working capital shall cover:*

*(i) Operation and maintenance expenses (excluding human resource expenses) for one month;*

*(ii) Human resource expenses for one month;*

*(iii) NLDC charges for one month; and*

*(iv) Receivables equivalent to two months of annual charges as approved by the Commission.*

*(2) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2014.*

*(3) Interest on working capital shall be payable on normative basis notwithstanding that the Power System Operation Company has not taken any loan for working capital from any outside agency."*

101. Accordingly, following expenses have been worked out for determination of Interest on Working Capital:



- a) O&M Expenses excluding human resource expenses have been considered for one month of the recommended O&M expenses.
- b) Human Resource Expenses have been considered for one month of the recommended O&M Expenses.
- c) NLDC charges for 1 month have been included in the computation of interest on working capital.
- d) The receivables have been worked out on the basis 2 months of Annual charges as worked out above.
- e) Rate of interest on working capital has been arrived at as SBI Base Rate plus 350 bps as on 1.4.2014 (i.e.13.50%).

102. Interest on working capital worked out for the 2014-19 period is as follows:

(₹ in lakh)					
Description	2014-15	2015-16	2016-17	2017-18	2018-19
One month NLDC Charges	63.25	54.47	59.32	86.14	122.68
One month O & M Expenses Excluding Human Resource Expenses	52.94	35.29	30.99	40.83	47.81
One month Human Resource Expenses	105.15	110.40	122.84	141.18	168.60
Receivables (2 months of Annual charges)	469.84	421.83	444.42	558.09	704.45
Total Working Capital	691.17	621.98	657.56	826.24	1,043.54
Rate of Interest on Working Capital	13.50%	13.50%	13.50%	13.50%	13.50%
<b>Interest</b>	<b>93.31</b>	<b>83.97</b>	<b>88.77</b>	<b>111.54</b>	<b>140.88</b>

### Annual Fee and charges

103. The details of the trued-up annual fee and charges allowed for SRLDC 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	-	-	-	-	-
Interest on Loan	-	-	-	-	-
Return on Equity	69.75	45.19	20.00	19.16	16.78
Interest on Working Capital	93.31	83.97	88.77	111.54	140.88
O & M Expenses (Excluding Human Resource Expenses)	635.28	423.46	371.83	489.97	573.69



Human Resource Expenses	1261.77	1324.75	1474.09	1694.15	2023.21
NLDC Charges and Corporate Office Expenses	758.94	653.61	711.82	1033.71	1472.14
<b>Total</b>	<b>2819.05</b>	<b>2530.97</b>	<b>2666.51</b>	<b>3348.53</b>	<b>4226.70</b>

104. 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.

105. Further, in terms of Regulations 8(3) and 8(4) of the 2015 RLDC Fees Regulations, the amount under-recovered or over-recovered by the Regional Load Despatch Centres shall be, along with simple interest at the rate equal to the bank rate as on 1<sup>st</sup> April of the respective year, recovered or refunded, by the RLDC or Users, as the case may be, in 6 equal monthly instalments starting within 3 months from the date of this order.

106. This order disposes of Petition No. 437/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**

**SRLDC**

SRLDC (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
Freehold Land	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
Building & Other Civil Works	67.46	0.00	67.46	3.34%	2.25	2.25	2.25	2.25	2.25
Auxiliary Power Supply System	132.87	-9.26	123.61	5.28%	7.02	7.02	7.01	6.76	6.53
Office Furniture and furnishing (including Communication Equipment)	62.27	-25.91	36.36	6.33%	3.71	3.04	2.58	2.50	2.38
Others	0.00	0.00	0.00	5.28%	0.00	0.00	0.00	0.00	0.00
SCADA Hardware with Test Equipment & Spares (IT Equipments)	1143.35	-846.22	297.13	15.00%	171.50	112.02	52.24	49.19	45.50
Software (IT Equipments)	1239.56	-1088.94	150.62	30.00%	371.87	210.12	48.38	46.78	45.19
<b>Total</b>	<b>2645.51</b>	<b>-1970.33</b>	<b>675.18</b>	<b>Total</b>	<b>556.34</b>	<b>334.45</b>	<b>112.45</b>	<b>107.48</b>	<b>101.85</b>
<b>Average Gross Block (₹ in lakh)</b>					<b>2641.83</b>	<b>1695.60</b>	<b>750.43</b>	<b>718.89</b>	<b>682.58</b>
<b>Weighted Average Rate of Depreciation (WAROD)</b>					<b>21.0590%</b>	<b>19.7246%</b>	<b>14.9853%</b>	<b>14.9513%</b>	<b>14.9208%</b>