

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 524/TT/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Date of Hearing : 07.07.2015

Date of Order : 14.03.2016

In the matter of:

Truing up of fee and charges under regulation 5 of Central Electricity Regulatory Commission (fees and charges of Regional Load Despatch Centre and other related matters) Regulations 2009 read with regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulation, 1999, for National Load Despatch Centre, for the control period 1.4.2009 to 31.3.2014.

And In the matter of:

National Load Despatch Centre
Power System Operation Corporation Ltd.
(A wholly owned subsidiary of POWERGRID)
Registered office: - B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016

.....**Petitioner**

Versus

NRLDC

Users under the category of Distribution Licensees and Buyers

1. UPPCL, Uttar Pradesh Power Corporation Limited, Shakti Bhawan, 14-Ashok Marg, Lucknow-226001
2. Government of J&K, Civil secretariat, Srinagar, J&K.
3. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Vidyut Bhawan, Vidyut Marg, Jaipur-302005
4. Punjab State Transmission Corporation Limited, Patiala-147 001
5. Haryana Vidyut Prasaran Nigam Limited, Shakti Bhawan, Sector-6, Panchkula-134109.
6. Delhi Transco Limited, Shakti Sadan, Kotla Road, New Delhi-110 002



7. Himachal Pradesh State Electricity Board, Kumar House, VidyutBhawan, Shimla-171004
8. Power Transmission Corporation of Uttarakhand Limited, 7-B, Lane No-1, VasantVihar Enclave, Dehradun - 248 001.
9. Electricity Department, UT Chandigarh, Sector 9-D, UT Chandigarh-160019
10. North Central Railway, GM Office Building, Allahabad, UP.
11. Power grid Corporation of India Ltd., B-9, Qutab Institutional Area, New Delhi-110016

Users under the category of Generating Stations and Sellers

12. Singrauli Super Thermal Power Station, Shakti Nagar, UP-231222
13. Rihand Super Thermal Power Station-I, Rihand Nagar, UP-231223
14. Rihand Super Thermal Power Station-II, Rihand Nagar, UP-231223
15. Rihand Super Thermal Power Station-III, NTPC Rihand, Dist-Sonbhadra, UP - 231223
16. Dadri, National Capital Power Project, DadriDhaulana Road, Distt. GautamBuddh Nagar, UP-201008
17. Dadri – Stage - II, National Capital Power Project, Dadri Dhaulana Road, Distt. GautamBuddh Nagar, UP-201008
18. Firoz Gandhi Unchahar Thermal Power Project-I, Unchahar, Distt. Raibareilly, UP
19. Firoz Gandhi Unchahar Thermal Power Project-II, Unchahar,,Distt. Raibareilly, UP
20. Firoz Gandhi Unchahar Thermal Power Project-III, Unchahar, Distt. Raibareilly, UP
21. Firoz Gandhi Unchahar Solar PV Power Project, Unchahar, Distt. Raibareilly, UP
22. Dadri Gas Power Project, Dhaulana Road, Distt. GautamBuddh Nagar, UP-201008
23. Dadri Solar PV Power Project, Dhaulana Road, Distt. GautamBuddh Nagar, UP-201008
24. Auraiya Gas Power Project(Gas Fired, RLNG Fired, Liquid Fired), Dibiyapur, Distt Etawah, UP-206244
25. Anta Gas Power Project (Gas Fired, RLNG Fired, Liquid Fired), Distt. Baran, Rajasthan-325209
26. Narora Atomic Power Station, Narora, Distt. Bulandshahar, UP-202389
27. Rajasthan Atomic Power Station-B, Anu Shakti Vihar, Kota, Rajasthan-323303
28. Rajasthan Atomic Power Station-C, (RAPS-5&6) PO-Anushakti, Kota, Rajasthan-323304
29. Bairasiul Hydro Electric Project, NHPC Ltd.,Surangini, Distt. Chamba, HP-176317
30. Salal Hydro Electric Project, NHPC Ltd, Jyotipuram, Distt. Udhampur, J&K-182312
31. Tanakpur Hydro Electric Project, NHPC Ltd., Banbassa, Distt. Champawa,Uttarakhand-262310
32. Chamera-I Hydro Electric Project, NHPC Ltd., Khairi, Distt. Chamba, HP-176310
33. Uri Hydro Electric Project, NHPC Ltd., Mohra, Distt. Baramulla, J&K-193122
34. Chamera-II Hydro Electric Project,NHPC Ltd., Karian, Distt. Chamba, HP-176310
35. Chamera-III Hydro Electric Project, NHPC Ltd.,Dharwala,Distt.- Chamba,HP-176311



36. Dhauliganga Hydro Electric Project, NHPC Ltd., Tapovan, Dharchula, Pithoragarh, Uttrakhand-262545
37. Dulhasti Hydro Electric Project, NHPC Ltd., Chenab Nagar, Distt. Kishtwar, J&K-182206
38. SatlujJalVidyut Nigam Ltd. Power Project, Jhakri, Rampur, Distt. Shimla, HP-172201
39. Tehri Hydro Development Corporation Ltd., Pragatipuram, Rishikesh, Uttrakhand-249201
40. Uri 2 Hydro Electric Project, NHPC Ltd., Nowpura, Distt. Baramulla, J&K-193123
41. Parbati HE Project Stage-III Behali, P.O- LarjiKullu 175122 Himachal Pradesh
42. Parbati HE Project Stage-III Behali, P.O- LarjiKullu 175122 Himachal Pradesh
43. Sewa-II Power Station, Mashke, P.O-Khari, Tahsil-Dalhausie , Dist-Chamba, HP-176325
44. Rampur HEP, SatlujJalVidyut Nigam Ltd. Power Project, Jhakri, Rampur, Distt. Shimla, HP-172201
45. Koteswar HEP, THDCIL, Koteswerpuram, Tehri Garwal-249002
46. ADHPL Prini, Tehsil Manali, Distt- Kullu (H.P) India.
47. Indra Gandhi Super Thermal Power Project VPO -Jharli, TahsilMatanhail, DistJhajjar (Haryana)-124125
48. KarchamWangtoo HEP, Jaiprakash Power House Ventures Limited Baspa -II Hydro -Electric Project Sholtu Colony, PO- Tapti DistKinnaur, -172104 (HP)
49. Everest Power Pvt. Ltd 1st Floor, Hall-1, NBCC Tower BikajiCamaPlace, New Delhi – 110 066.
50. Shree Cement Thermal Power Project Bangurnagar, Beawar , Dist Ajmer , Rajasthan -305901
51. LancoBudhil HPS Ltd, Plot # 404-405, Phase-3, Udyog Vihar, Gurgaon-122016, New Delhi Region, India

Users under the category of Inter State Transmission Licensees

52. NRTS-I, Power Grid Corporation of India Ltd., B-9, Qutab Institutional Area, New Delhi-110016
53. Powerlinks Transmission Ltd., 10th Floor, DLF Tower-A, District Centre, Jasola, New Delhi-110044
54. Jaypee POWERGRID Ltd. House No.- 7, Housing Board colony ChuhaBagh, Khaneri Rampur, Bushahr Shimla H.P.
55. APL, Business Development, Achalraj, Opp Mayor Bungalow, Law Garden, Ahmedabad 380009.
56. ParbatiKoldamTransmission Company Ltd. B-9, Qutab Institutional Area New Delhi-110016

WRLDC

Users under the category of Distribution Licensees and Buyers

1. MSEDCL, Prakashgadh, 5th Floor, Bandra East, Maharashtra Mumbai 400051
2. GUVNL, Sardar Patel VidyutBhavan race Course Gujarat Vadodara 390007
3. MP Power Management Co Ltd, 3rd Floor, Block No 11, Shakti Bhavan, Madhyapradesh Rampur 482008



4. CSPDCL, PO - Sunder Nagar Chhattisgarh Raipur, Dangania 492013
5. Electricity Department, UT of Daman & Diu, Sachivalaya, Daman & Diu Moti Daman 396210
6. UT of Dadra Nagar & Haveli, Secretariat, Electric Department, 66kv Amla Road, Dadra Nagar & Haveli Silvassa 396230
7. ESSAR STEEL INDIA LIMITED, 27th KM, Surat Hazira Road, Gujarat Surat 394270
8. Goa Electricity Department, Government of Goa, 3rd Floor, Vidyut Bhavan, Goa, Goa Panjim 403001
9. Bhadravathi HVDC, Power Grid Corporation of India Ltd, Sumthana Village, Bhadravathi (Tahsil), Bhadravathi, Chandrapur (Dist), Maharashtra-442 902
10. Vindhayachal HVDC, Power Grid Corporation of India Ltd, P.O. Vindhyanagar, P.Box.No.12, Singrauli (Dist), Madhya Pradesh-486 885

Users under the category of Generating Stations and Sellers

11. Korba STPS STG (I & II), National Thermal Power Corporation, P.O. Vikas Bhavan, Jamnipali, Korba (Dist), Chhattisgarh- 495 450.
12. Korba STPS STG (III), National Thermal Power Corporation, P.O. Vikas Bhavan, Jamnipali, Korba (Dist), Chhattisgarh- 495 450.
13. STAGE-I, Vindhayachal STPS, National Thermal Power Corporation of India Ltd, P.O Vindhyanagar, Sidhi (Dist), Madhya Pradesh – 486 885
14. STAGE-II, Vindhayachal STPS, National Thermal Power Corporation of India Ltd, P.O Vindhyanagar, Sidhi (Dist), Madhya Pradesh – 486 885
15. STAGE-III, Vindhayachal STPS, National Thermal Power Corporation of India Ltd, P.O Vindhyanagar, Sidhi (Dist), Madhya Pradesh – 486 885
16. STAGE-IV, Vindhayachal STPS, National Thermal Power Corporation of India Ltd, P.O Vindhyanagar, Sidhi (Dist), Madhya Pradesh – 486 885
17. Kawas Gas Power Project, National Thermal Power Corporation of India Ltd, P.O. Aditya Nagar, Surat- 394 516
18. Gandhar Gas Power Project, National Thermal Power Corporation of India Ltd, P.O. NTPC Township, Bharuch (Dist), Gujarat- 392215
19. SIPAT TPS Stg-I, National Thermal Power Corporation of India Ltd, SIPAT, Chhattisgarh.
20. SIPAT TPS Stg-II, National Thermal Power Corporation of India Ltd, SIPAT, Chhattisgarh.
21. Mouda STPP, NTPC Ltd, Mouda Ramtek Road, P.O. Mouda, Nagpur (Dist), Maharashtra
22. 2 X 135 MW Kasaipali Thermal Power Project, ACB (India) Ltd. District - Korba Chhattisgarh Chakabura 495445 poweraryan2x135@yahoo.com 9425282001
23. Bharat Aluminium Co. Ltd, Captive Power plant-II, BALCO Nagar Chhattisgarh Korba 495684
24. Costal Gujarat Power Ltd, Tunda Vandh Road, Tunda Village, Mundra, Gujarat Kutch 370435
25. DB Power, Village - Baradarha, Post - Kanwali, Dist - Janjgir, Champa, Chhattisgarh Baradarha 495695



26. Jindal Power Ltd. Stg-I, OP Jindal STPP, PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District - Raigarh, 496107
27. Jindal Power Ltd. Stg-II, OP Jindal STPP, PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District - Raigarh, 496107
28. Plot No Z-9, Dahej SEZ Area (Eastern side), At Dahej, Taluka-Vagra, Gujarat Dist-Bharuch, 392130
29. EMCO Power Ltd, Plot No B-1, Mohabala MIDC Growth Center Post Tehsil - Warora, Dist - Chandrapur Maharashtra Chandrapur 442907
30. ESSAR POWER MP LTD. Village Bandhora, Post Karsualal, Tehsil Mada, Madhya Pradesh Distt. Singrauli 486886
31. GMR CHHATTISGARH ENERGY LTD Skip House, 25/1, Museum Road Karnataka Bangalore 560025
32. JaippeeNigri Super Thermal Power Project, Nigri District, Madhya Pradesh Singrauli 486668
33. DCCP, OP Jindal STPP, PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District - Raigarh, 496107
34. Nuclear Power Corporation of India Ltd, Kakrapara Atomic Power Station, PO - via Vyara, Gujarat Dist - Surat 395651
35. Tarapur Atomic Power Station 1&2, Nuclear Power Corporation of India Ltd,P.O.TAPP, Thane(Dist), Maharashtra- 401 504
36. Tarapur Atomic Power Station 3&4, Nuclear Power Corporation of India Ltd,P.O.TAPP, Thane(Dist), Maharashtra- 401 504
37. Managing Director, Korba West Power Co.Ltd.,Village - ChhoteBhandar, P.O. - Bade Bhnadar, Tehsil - Pussore, District - Raigarh, Chhattisgarh Raigarh 496100 switchyard.
38. KSK Mahanadhi , 8-2-293/82/A/431/A, Road No 22 Jubilee Hills Andhra Pradesh Hyderabad 500033
39. LANCO Power Ltd, Plot No - 397, phase -III, UdyogVihar, Haryana Gurgaon 122016
40. NTPC-SAIL Power Company Privte Ltd, Puranena Village, Chhattisgarh Dist - Durg, Bhilai 490021
41. Ratnagiri Gas & Power Pvt Ltd, 2nd Floor, Block-2, IGL Complex, Sector-126, Expressway, Utterpradesh Noida 201304
42. Sasan Power Ltd, DAKC, I Block, 2nd Floor, North Wing, Thane Belapur Road, Koparkhairana Maharashtra New Mumbai 400710
43. NCA, Narmada Sadan, Sector -B, Scheme No 74, Vijaynagar, Madhyapradesh Indore 452010
44. Vandana Vidyut Bhavan, M. G. Road Chhattisgarh Raipur 492001

Users under the category of Inter State Transmission Licensees

45. Power Grid Corporation of India Ltd. Western Region - I Headquarters, PO - Uppalwadi, Sampritinagar, Maharashtra Nagpur 440026
46. ESSAR Power Transmission Co Lyd, A-5, Sector -3 , Gautam Buddha Nagar, Utterpradesh Noida 201301
47. Jindal Power Ltd., OP Jindal STPP, OP Jindal STPS, PO- Tamnar, Chhattisgarh District - Raigarh, 496107
48. Torrent Powergrid Ltd, Torrent House, Off Ashram Road, Gujarat Ahmedabad 380009



49. Western Region Transmission (Gujarat) Pvt Ltd, 12th Floor, Building No - 10-B, DLF, Cyber City, Haryana Gurgaon 122002
50. Western Region Transmission (Maharashtra) Pvt Ltd, 12th Floor, Building No - 10-B, DLF, Cyber City, Haryana Gurgaon 122002
51. Adani Power Ltd. Achalraj, Opp Mayor Bungalow Law Garden Gujarat Ahmedabad 380006

ERLDC

Users under the Category of Distribution Licensees & Buyers

1. Bihar State Holding Co. Ltd., VidyutBhavan, Bailey Road, Patna, Bihar 800021
2. Jharkhand UrjaVikash Nigam Limited, Dhurwa Road, Ranchi, Jharkhand 834002
3. Damodar Valley Corporation, DVC Tower, VIP Road, Kolkata, WB 700054
4. Grid Corporation of India Ltd, Janpath, Bhubaneswar, Odisha 751022
5. Power Deptt., Govt. of Sikkim, Kaji Road Sikkim Gangtok 731101
6. West Bengal State Electricity Distribution Corporation Limited, BidyutBhavan, Saltlake, Kolkata WB 700091
7. ER-I, Power Grid Corporation (I) Ltd., Boring Road, Patna 800001
8. NTPC VidyutVyapar Nigam Limited, Lodhi Road New Delhi 110003

Users under the Category of Generating Stations & Sellers

9. Farakka Super Thermal Power Plant-I&II, NTPC Ltd., Farakka, WB 742236
10. Kahalgaon Super Thermal Power Plant-I NTPC Ltd, Bhagalpur Bihar 813214
11. Kahalgaon Super Thermal Power Plant-II NTPC Ltd, Bhagalpur Bihar 813214
12. Talcher Super Thermal Power Stn-I NTPC Ltd, Nayapalli, Odisha 751012
13. Teesta V HEP, NHPC, Singtam, East Sikkim 737134
14. Rangit Hydro Electric Project NHPC, P.O. Rangit Nagar South Sikkim 737111
15. Damodar Valley Corporation DVC Tower, VIP Road West Bengal Kolkata 700054
16. Farakka Super Thermal Power Plant-III, NTPC Ltd., Farakka, WB 742236
17. Sterlite Energy Limited 1st. Floor, City Mart Complex, Baramunda, Odisha 751023
18. Maithon Power Limited MA-5 Gogna Colony, P.O: Maithon, Dhanbad, Jharkhand 828027
19. National Thermal Power Corporation Limited, BARH Thermal Power Station, Patna, Bihar 803213
20. GATI Infrastructure Ltd, 268, UdyogVihar, Phase-IV, Gurgaon, Haryana 122001
21. Adhunik Power & Natural Resource Limited Village: Padampur, PS: Kandra Tata-Seraikela Road, Jharkhand 832105

Users under the Category of Inter-State Transmission Licensees

22. East North Interconnection Company Ltd., C-2, Mathura Road, New Delhi 110065



23. ER-I, Power Grid Corporation (I) Ltd Boring Road, Patna 800001
24. Powerlinks Transmission Limited Vidyut Nagar, Siliguri WB 734015

SRLDC

Users under the category of Distribution licensees and Buyers

1. POWERGRID, SRTS-II, PragatiMahalaxmi, South Block, (2nd& 3rd Floor) No.62, 3rd Cross, MEI Road, Industrial Suburb, Yeshwantpur, Bangalore - 560 022.
2. Andhra Pradesh Power Co-ordination Committee, 4th Floor, Room No: 451, VidyutSoudha, Khairatabad, Hyderabad-500 082. Andhra Pradesh State.
3. Power Company of Karnataka Ltd., KPTCL Building, KaveriBhavan, Bangalore - 560 009, Karnataka State
4. Kerala State Electricity Board, VydyuthiBhavanam, Pattom, Thiruvananthapuram - 695 004, Kerala State.
5. TANGEDCO, TNEB Ltd., 144, Anna Salai, Chennai - 600 002, Tamil Nadu State.
6. Electricity Department, Govt of Puducherry, PIN: 605001, Puducherry
7. Electricity Department, Division No: III, Curti, Ponda, Goa , Pin: 403 401

Users under the category of Generating Stations and Sellers

8. National Thermal Power Corporation Ltd., SR Headquarters II & V Floors, MCH Complex, R.P.Road, Secunderabad-500 003, Andhra Pradesh State
9. National Thermal Power Corporation Ltd., SR Headquarters II & V Floors, MCH Complex, R.P.Road, Secunderabad-500 003, Andhra Pradesh State
10. National Thermal Power Corporation Ltd., 3rd Floor, OLIC Building, Plot No: N -17/2, Nayapalli, Khurda , Bhubaneswar - 751012, Orissa State.
11. National Thermal Power Corporation Ltd., SR Headquarters II & V Floors, MCH Complex, R.P.Road, Secunderabad-500 003, Andhra Pradesh State
12. Neyveli Lignite Corporation Ltd., Corporate Office, Block-01, P.O.Neyveli, PIN: 607 801, Cuddalore Dist., Tamil Nadu State.
13. Neyveli Lignite Corporation Ltd., Corporate Office, Block-01, P.O.Neyveli, PIN: 607 801, Cuddalore Dist., Tamil Nadu State.
14. Neyveli Lignite Corporation Ltd., Corporate Office, Block-01, P.O.Neyveli, PIN: 607 801, Cuddalore Dist., Tamil Nadu State.
15. Neyveli Lignite Corporation Ltd., Corporate Office, Block-01, P.O.Neyveli, PIN: 607 801, Cuddalore Dist., Tamil Nadu State.
16. Nuclear Power Corpn. Of India Ltd., Kalpakkam – 603 102, Tamil Nadu State
17. Nuclear Power Corpn. of India Ltd., P.O.Kaiga, Via Karwar, Karnataka - 581400 , Karnataka State.
18. Nuclear Power Corpn. of India Ltd., P.O.Kaiga, Via Karwar, Karnataka - 581400 , Karnataka State.
19. Nuclear Power Corporation of India Ltd., P.O.Kudankulam, RadhapuramTalukTirunelveli District, Tamil Nadu - 627 106
20. LANCO-Kondapalli Power Ltd., Plot No.4, Software Units Layout, Hitech City, Madhapur, Hyderabad-500 081. Andhra Pradesh State
21. LANCO-Kondapalli Power Ltd., Plot No.4, Software Units Layout, Hitech City, Madhapur, Hyderabad-500 081. Andhra Pradesh State



22. NTPC Tamilnadu Energy Company Ltd., Vallur Thermal Power Project, Vellivoyalchavadi P.O., Ponneri Taluk, Tiruvallur Dist., Chennai – 600103, Tamil Nadu State
23. The General Manager (Projects), Simhapuri Energy Pvt. Ltd., Madhucon Greenlands, 6-3-866/2, 3rd Floor, Begumpet, Hyderabad-500016.
24. Meenakshi Energy Pvt. Ltd., Meenakshi, Plot No: 119, Road No: 10, Jubilee Hills, Hyderabad-500 033.
25. Coastal Energen Pvt. Ltd, 7th Floor, Buhari Towers, 4, Moores Road, Chennai, PIN: 600006, Tamil Nadu State.
26. Thermal Powertech Corporation India Limited, A-Block, 5th Floor T.S.R Towers, Raj Bhavan Road, Somajiguda, Hyderabad, PIN: 500082, Andhra Pradesh State.
27. NLC Tamilnadu Limited, 2*500, MW JV Thermal Power Project, Harbour Estate, Tuticorin, PIN: 628004, Tamil Nadu State

Users under the category of Inter State Transmission Licensees

28. POWERGRID, SRTS-II, Pragati Mahalaxmi, South Block, (2nd & 3rd Floor) No.62, 3rd Cross, MEI Road, Industrial Suburb, Yeshwantpur, Bangalore - 560 022.

NERLDC

Users under the category of Distribution licensees and Buyers

1. APDCL, Bijuli Bhavan, Paltan Bazar, Guwahati-781001
2. MeECL, Lumjingshai, Short Round Road, Shillong-793001
3. TSECL Agartala-799001, Tripura
4. Dept. of Power, Govt. of Ar. Pradesh, Itanagar-791111
5. Dept. of Power, Govt. of Mizoram, Aizawl-796001, Mizoram
6. Dept. of Power, Govt. of Nagaland, Kohima-797001
7. Manipur State Power Distribution Co. Ltd, Keishampat, Imphal-795001

Users under the category of Generating Stations and Sellers

8. NEEPCO, Wokha, Nagaland
9. NEEPCO, P.O. Ranganadi Proj. Dist. Subansiri, Ar. Pradesh-791121
10. NEEPCO, Kathalguri, Tinsukia, Assam
11. NEEPCO, Ramchandranagar, Agartala, Tripura
12. NEEPCO, Umrangsoo, N.C.Hills, Assam
13. NEEPCO, Umrangsoo, N.C.Hills, Assam
14. NEEPCO, Umrangsoo, N.C.Hills, Assam
15. NHPC Loktak HEP Leimatak-795124, Manipur
16. ONGC Tripura Power Company Ltd, 6th Floor, A Wing, IFCI Tower-61, Nehru Place, New Delhi, 110019

Users under the category of Inter State Transmission Licensees



17. NERTS, Power Grid Corporation of India Ltd., Lapalang, Shillong-793006, Meghalaya.
18. North Eastern Transmission Company Ltd, 1st Floor, Ambience Corporate Tower, Ambience Mall, Gurgaon, 122001, Haryana.

... Respondents

The following were present:

Shri V.K. Agrawal, POSOCO
Shri Nishant Gupta, NTPC
Shri Ashwani Kumar Gupta, HVPN
Shri Pulkit Sharma, ENICL
Ms Disha Rangji, Advocate

ORDER

The present petition has been preferred by Power System Operation Corporation Ltd. (“the petitioner”), for truing up of National Load Dispatch Centre (NLDC) charges under regulation 5 of Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations 2009 (hereinafter referred to as “the RLDC fees regulations 2009”) for the control period 1.4.2009 to 31.3.2014. The petitioner, NLDC is a statutory body set up under Section 26 of the Electricity Act, 2003 and performs the functions specified in National Load Despatch Centre Rules, 2004 notified by Ministry of Power on 2nd March 2005.

The Respondents are distribution licensees, generating stations and inter-state transmission licensees who are users of the National Load Dispatch Centre.

2. The instant petition was filed on 5.12.2014.
3. The brief facts of the case are as follows:-



- (a) The Fees and Charges of NLDC (POSOCO portion) for the control period 1.4.2009 to 31.3.2014 was allowed based on capital cost of ₹1941.28 lakh as on 31.3.2009 vide order dated 14.2.2011 in Petition No. 83/2010 in accordance with the RLDC fees regulations 2009. The fee and charges allowed for the control period 2009-14 is as under:-

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	356.57	472.17	576.03	634.97	698.72
Interest on Loan	84.18	77.66	66.96	40.32	13.44
Return on Equity	152.47	192.26	228.02	246.20	262.56
O & M Expenses (excluding Human Resource Expenses)	1060.61	1121.27	1185.41	1447.66	1519.34
Human Resource Expenses	696.94	1204.05	1538.91	1707.28	1847.40
Total	2350.77	3067.42	3595.33	4076.43	4341.45

- (b) In the instant petition the petitioner has claimed the following Fees and Charges of NLDC (POSOCO portion) for the control period 1.4.2009 to 31.3.2014 based on the actual expenditure incurred:-

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	339.68	370.07	422.57	301.31	249.14
Interest on Loan	73.40	51.49	27.19	7.05	0.00
Return on Equity	141.16	149.05	163.40	178.65	196.95
O & M Expenses (excluding Human Resource Expenses)	159.56	500.97	332.51	603.98	881.75
Human Resource Expenses	521.08	1051.13	894.86	1295.30	1502.00
Total	1234.88	2122.71	1840.53	2386.29	2829.84

4. The hearings in this matter were held on 31.3.15 and 7.7.2015.
5. Reply to the petition has been filed by the Kerala State Electricity Board Limited (KSEB) vide affidavit dated 26.3.2015. The respondent has highlighted the issues relating to salaries and allowances, certified copies of details showing R&M



expenses, A&G expenses and Human resource expenses, FERV on the foreign loan, grossing up the RoE, financing of LDC fund etc. These issues have been suitably dealt with at appropriate places in the order.

6. The petitioner was directed to file additional information vide RoP of hearing dated 31.3.2015 and 7.7.2015. In response, the petitioner has submitted its response vide affidavits dated 29.5.2015, 29.6.2015 and 13.8.15. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition, as stated in the subsequent paragraphs.

TRUING UP OF FEE AND CHARGES FOR CONTROL PERIOD 2009-14

7. Clause (5) of the RLDC Regulations 2009 provides for the true up of the RLDC fees and charges determined by the Commission. The relevant provision for true up of the RLDC fees and charges are extracted as under:-

"(1) The Commission shall carry out truing up exercise along with the application for determination of fees and charges filed for the period after the expiry of the control period, for the fees and charges recovered up to 31.3.2014 and admitted by the Commission after prudence check at the time of truing up.

(2) The Power System Operation Company shall make an application, in the formats annexed as Appendix I to these regulations, for carrying out truing up exercise by 31.10.2014.

(3) The Power System Operation Company shall submit along with the application for truing up, details of capital expenditure including additional capital expenditure, sources of financing, human resource expenditure, operation and maintenance expenditure, etc incurred for the period from 1.4.2009 to 31.3.2014, duly audited and certified by the auditors.

(4) Where after the truing up, the charges recovered exceeds the charges approved by the Commission under these regulations, the Power System Operation Company shall refund to the users, the excess amount so recovered along with simple interest at the rates specified in the proviso to this regulation.

(5) Where after the truing up, the charges recovered is less than the charges approved by the Commission under these regulations, the Power System Operation Company shall



recover from the users, the under-recovered amount along with simple interest at the rates specified in the proviso to this regulation.

(6) The amount under-recovered or over-recovered, along with simple interest at the rates specified in the proviso to this regulation, shall be recovered or refunded by the Power System Operation Company in six equal monthly Instalments starting within three months from the date of the order issued by the Commission after the truing up exercise.

Provided that the rate of interest, for clauses (4), (5) and (6) of this regulation, for calculation of simple interest shall be considered as under:-

- (i) SBI short-term Prime Lending Rate as on 01.04.2009 for the year 2009-10.
- (ii) SBI Base Rate as on 01.07.2010 plus 350 basis points for the year 2010-11.
- (iii) Monthly average SBI Base Rate from 01.07.2010 to 31.3.2011 plus 350 basis points for the year 2011-12.
- (iv) Monthly average SBI Base Rate during previous year plus 350 basis points for the year 2012-13 and 2013-14;

Provided further that in cases where charges have already been determined on the date of issue of this notification, the above provisions shall be given effect to at the time of truing up.”

8. The truing up of fee and charges for the control period 2009-14 has been determined as discussed below:-

Capital Cost

9. Clause (2) of Regulation 6 of the RLDC fees regulations 2009 provides that:-

“(2) The capital cost admitted by the Commission after prudence check shall form the basis for determination of charges.”

10. The petitioner has claimed capital cost of ₹ 1941.28 lakh as on 31.3.2009 for the purpose of tariff as admitted vide order dated 14.2.2011 in Petition No. 83/2010. The same has been considered as the opening capital cost as on 1.4.2009 for determination of tariff in accordance with Regulation 6 of the RLDC fees regulations 2009.

Additional Capital Expenditure



11. Clause 1 of Regulation 7 of the RLDC fees regulations 2009 provides as follows:-

“(1) The capital expenditure incurred or projected to be incurred after the date of commercial operation may, in its discretion, be admitted by the Commission, subject to prudence check:

Provided that any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the date of commercial operation shall not be considered for additional capitalization for determination of fees and charges.”

12. The capital expenditure (including additional capital expenditure) allowed to NLDC, vide order dated 14.2.2011 in Petition No. 83/2010, is as under:

(₹ in lakh)

	As on 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Block	1941.28	1941.28	2252.25	3035.68	3235.68	3535.68
Additional Capital Expenditure allowed vide petition # 83/2010	-	310.97	783.43	200	300	150
Capital cost allowed		2252.25	3035.68	3235.68	3535.68	3685.68

13. The additional capital expenditure actually incurred during the control period 2009-14, as per Auditor Certificate dated 7.7.2015 submitted vide affidavit dated 13.8.2015, is as under:-

(₹ in lakh)

	As on 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Block	1941.28	1941.28	1941.28	2206.17	2393.13	2635.33
Actual Additional Capital Expenditure claimed		0.00	264.89	186.96	242.20	146.09
Capital cost claimed	1941.28	1941.28	2206.17	2393.13	2635.33	2781.42

14. The year wise detail of additional capital expenditure incurred is as under:-



S. No.	Description	2009-10	2010-11	2011-12	2012-13	2013-14
1	Free Hold Land	-	-	-	-	-
2	Lease Hold Land	-	-	-	-	-
3	Building & Other Civil Works	-	-	-	66.99	7.42
4	Auxilliary Power System	-	1.86	-	-	-
5	Office Furniture & furnishing (including communication equipment)	-	102.28	10.14	10.96	14.19
6	Others	-	11.71	-	0.29	-
7	IT Equipments (SCADA Hardware with Test Equipments and Spares)	-	68.18	63.30	71.07	24.45
8	Software (IT equipments)	-	80.86	113.52	92.89	100.03
	TOTAL claimed	-	264.89	186.96	242.20	146.09

15. The petitioner has submitted the following reasons for variation in the actual capital expenditure incurred from CAPEX allowed by CERC:

a). Out of the approved add-cap of Rs 694.4 lakh towards NLDC scheme, the actual expenditure of Rs. 452 lakh has been incurred under NLDC scheme towards balance payment to the vendors for Hardware and Software of SCADA and other associated costs.

b). An estimated expenditure of Rs. 150 lakh was to be incurred towards renovation and modernisation of the office for NLDC and POSOCO corporate. Payment of Rs.74 lakh was released in FY 2012-13 and 2013-14 towards execution of this work.

c). During FY 2012-13, provision of Rs. 300 lakh was made towards ERP implementation at POSOCO Corporate level. ERP implementation is in progress in POWERGRID i.e. the holding Company of POSOCO. It is being implemented in phases and POSOCO is likely to be covered by FY 2015-16.

16. The Commission observed that RLDCs should have assessed the projected expenditure realistically while making the application for approval of fees and charges. During the course of hearing on 31.3.2015, the Commission asked the

representative of POSOCO to explain non-utilisation of fees and charges approved by the Commission.

17. The representative of POSOCO submitted as under:-

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

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

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

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

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

18. Accordingly, the details of additional capital expenditure allowed are given as below. The expenditure on office furniture and furnishing has been disallowed in terms of proviso to Clause 1 of Regulation 7 of the RLDC fees regulations 2009.

(₹ in lakh)

S. No.	Description	2009-10	2010-11	2011-12	2012-13	2013-14
1	Free Hold Land	-	-	-	-	-
2	Lease Hold Land	-	-	-	-	-
3	Building & Other Civil Works	-	-	-	66.99	7.42
4	Auxilliary Power System	-	1.86	-	-	-
5	Office Furniture & furnishing (including communication equipment)	-	-	-	-	-
6	Others	-	11.71	-	0.29	-



7	IT Equipments (SCADA Hardware with Test Equipments and Spares)	-	68.18	63.30	71.07	24.45
8	Software (IT equipments)	-	80.86	113.52	92.89	100.03
	TOTAL add cap allowed	-	162.61	176.82	231.24	131.90
	Decapitalisation allowed	-	-	-	-	0.69
	Net add cap allowed	-	162.61	176.82	231.24	131.21

19. The capital expenditure (including additional capital expenditure) allowed to NLDC is as under:

(₹ in lakh)

	As on 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Block	1941.28	1941.28	1941.28	2103.89	2280.71	2511.95
Additional Capital Expenditure allowed		-	162.61	176.82	231.24	131.21
Capital cost allowed	1941.28	1941.28	2103.89	2280.71	2511.95	2643.16

DEBT- EQUITY RATIO

20. Regulation 8 of the RLDC fees regulations 2009 provides as under:-

“(1) The actual debt: equity ratio appearing in the books of accounts as on the date of transfer shall be considered for the opening capital cost of National Load Despatch Centre and Regional Load Despatch Centres.

(2) For an investment made on or after the date of transfer, 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 where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of charges:

Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

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 capital expenditure, and funds created out of the LDC Development Fund as approved by the Commission shall be reckoned as paid up capital for the purpose of



computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure.”

21. The debt: equity ratio as on 31.3.2009 admitted by the Commission vide order dated 14.2.2011 in Petition No. 83/2010 has been considered as on 1.4.2009 for determination of tariff in accordance with the Regulation 8 of the RLDC fees regulations 2009.

22. Debt-equity ratio of 70:30 has been adopted for the additional capital expenditure and accordingly equity base for different years of the tariff period has been determined.

Return on Equity (“ROE”)

23. Regulation 12 of the RLDC fees regulations provides that:-

“12. Return on equity. - (1) Return on equity shall be computed in Rupee term on equity base determined in accordance with Regulation 8 of these regulations.

(2) Return on equity shall be computed on pre-tax base rate of 16% 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 normal tax rate for the financial year 2009-10 applicable to the Power System Operation Company:

Provided that 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 formula given below:-

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

Where t is the applicable tax rate in accordance with sub clause (3).”

24. As per para 12(e) of the petition, Debt portion of the capital cost has been financed from LDC development fund and Equity portion has been met from own resources.



25. MAT rate has been applied for working out the pre-tax ROE for the year 2009-10 and corporate tax rate for the respective year has been applied for the remaining years of the control period.

26. The ROE as trued up and allowed is as follows:-

(₹ in lakh)

Return on Equity	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 14.2.2011	152.47	192.26	228.02	246.20	262.56
Claimed by the petitioner	141.16	149.05	163.40	178.64	196.95
Allowed after truing up in this order	112.26	145.37	155.77	170.26	187.43

Interest on Loan ("IoL")

27. Regulation 13 of the RLDC fees regulations 2009 provide the methodology for working out weighted average rate of Interest on Loan. The Commission in its earlier order dated 14.2.2011 in Petition No. 83/2010 has observed that:-

"...The interest on Loan has been calculated on the basis of the interest rate prevailing as on 1.4.2009. Any change in rate of Interest subsequent to 1.4.2009 will be considered at the time of truing up."

28. The petitioner has submitted the weighted average rate of IoL, based on its actual loan portfolio and rate of interest. Accordingly, the IoL has been calculated based on actual interest rate submitted by the petitioner, in accordance with the Regulation 13 of the RLDC fees regulations 2009.

29. As mentioned in para 16, debt portion of the capital cost has been financed from LDC development fund, therefore, no IoL is being allowed on the Add-Cap for 2009-14. The details of weighted average rate of interest are placed in Annexure-1. The IoL worked out is as follows:-

(₹ in lakh)

Interest on Loan	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 14.2.2011	84.18	77.66	66.96	40.32	13.44
Claimed by the petitioner	73.40	51.79	28.38	7.94	0.00
Allowed after truing up in this order	75.51	50.84	28.41	8.26	0.00



Depreciation

30. The depreciation has been worked out as per the methodology provided in the Regulation 14 of the RLDC fees regulations 2009. The depreciation allowed is as follows:-

(₹ in lakh)

Depreciation	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 14.2.2011	356.57	472.17	576.03	634.97	698.72
Claimed by the petitioner	339.68	360.52	403.46	282.82	234.24
Allowed after truing up in this order	339.69	357.29	396.66	438.83	476.13

Operation & Maintenance Expenses (“O&M Expenses”)

31. The summary of O&M expenses allowed during the control period 2009-14 vide order dated 83/2010 is as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Repairs and maintenance Expenses	41.48	43.85	46.36	243.45	246.25
Administrative and general expenses, etc	1019.13	1077.42	1139.05	1204.21	1273.09
Total O&M Expenses	1060.61	1121.27	1185.41	1447.66	1519.34

32. Against the above the summary of actual O&M expenses incurred by the petitioner during the control period 2009-14 is as under:-

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Repairs and maintenance	41.45	9.08	26.57	78.17	118.36
Administrative and general expenses, etc	118.11	491.89	305.94	525.81	763.39
Total O&M Expenses	159.56	500.97	332.51	603.98	881.75

33. The petitioner has submitted the following reasons for variation in the actual expenses from the approved expenses:



(i) The Commission had approved fibre leasing charges amounting to Rs. 3190.35 lakh for the period 2009-14. To provide communication between the control centres (RLDCs and NLDC) is the responsibility of POWERGRID. Therefore, these charges were not paid for providing the fibre communication. This has resulted in underutilization of O&M expenses.

(ii) The SCADA system of NLDC was commissioned on 1.4.2009. Operational Acceptance of the System was done on 5.4.2010. Thereafter, the system was under paid warranty upto November 2013. As per the approved charges of NLDC, under O&M expenses, the AMC charges were allowed by CERC. Amount of Rs. 82 Lakhs was paid towards Maintenance support of SCADA System against the Rs. 389 Lakhs allowed by the Commission. This has also contributed towards under underutilization of O&M expenses.

34. Clause 4 of Regulation 15 of the RLDC fees regulations provides that:-

“(4) The actual expenditure towards Annual Maintenance Contract (AMC), after prudence check, shall be considered in arriving at the Operation and Maintenance Expenses during 2009-10 to 2013-14”

35. As there has been decrease in R&M due to AMC of SCADA, therefore, the actual O&M expenses incurred by the petitioner have been allowed.

HUMAN RESOURCE EXPENSES

36. The summary of human resource expenses allowed during the control period 2009-14 vide order dated 83/2010 is as under:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Man –power cost on the level of 2009-10	696.94	736.81	778.95	823.51	870.62
Additional man power Cost	0.0	467.24	759.96	883.77	976.79
Total HR Expenses	696.94	1204.05	1538.91	1707.28	1847.40
No. of Employees (Executive and Non-executive; including POSCO Corporate)	41	67	81	85	87



37. The summary of actual human resource expenses incurred during the control period 2009-14 is as under:-

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total HR Expenses	521.08	1051.13	894.86	1295.30	1502.00
No. of Employees (at the beginning of each year)	27	47	57	67	84

38. The petitioner has submitted the reasons for increase in the actual expenses from the expenses approved by the Commission as under:-

(i) For RLDCs, the HR expenses were calculated on normative basis as per Regulations whereas in respect of NLDC, these were allowed on the basis of actual cost to the company. Further, increase in manpower in NLDC and POSOCO was also allowed in view of the additional responsibilities and Pradhan Committee Recommendations.

(ii) POSOCO is a subsidiary of POWERGRID. The employees posted in POSOCO are on secondment basis from POWERGRID and their total emoluments are protected. The manpower under the executive category has been added at regular intervals. During 2009 - 14, 33 executives have been posted in POSOCO at induction level, i.e. Engineer Trainee. Further strengthening is being done every year to meet the specialized manpower requirement on a sustained basis. The increase in manpower is being done gradually at the induction level to ensure career progression of the employees. However, actual deployment of manpower in NLDC has been lower than that allowed by Commission. This has resulted in decrease in the HR expenses.

39. In view of the justification submitted by the petitioner, the actual HR expenses incurred by the petitioner has been allowed.

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Allowed after truing up in this order	521.08	1051.13	894.86	1295.30	1502.00

APPROVED RLDC FEES AND CHARGES FOR THE CONTROL PERIOD 2009-14

40. The detailed computation of the various components of the trued up Fees and charges for National Load Dispatch Centre allowed during the control period 2009-14 is summarized as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation					
Opening Gross Block	1941.28	1941.28	2103.89	2280.71	2511.95
Addition during 2009-14	0.00	162.61	176.82	231.24	131.21
Closing Gross Block	1941.28	2103.89	2280.71	2511.95	2643.16
Average Gross Block	1941.28	2022.59	2192.30	2396.33	2577.56
Rate of Depreciation %	17.4980	17.6648	18.0934	18.3125	18.4722
Depreciable Value (excluding IT equipments and softwares)	578.46	584.56	590.67	620.95	654.54
Depreciable value of IT equipments and softwares	1298.55	1373.07	1536.00	1706.39	1850.29
Total Depreciable Value	1877.01	1957.63	2126.67	2327.34	2504.83
Depreciation	339.69	357.29	396.66	438.83	476.13
Interest on Loan					
Gross Normative Loan	1358.90	1358.90	1358.90	1358.90	1358.90
Cumulative Repayment upto Previous Year	0.00	339.69	696.97	1093.63	1358.90
Net Loan-Opening	1358.90	1019.21	661.92	265.26	0.00
Addition due to Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Repayment during the year	339.69	357.29	396.66	265.26	0.00
Net Loan-Closing	1019.21	661.92	265.26	0.00	0.00
Average Loan	1189.05	840.57	463.59	132.63	0.00
Weighted Average Rate of Interest on Loan %	6.3508	6.0486	6.1293	6.2264	6.0350
Interest	75.51	50.84	28.41	8.26	0.00
Return on Equity					
Opening Equity	582.38	582.38	631.17	684.21	753.59
Addition due to Additional Capitalisation	0.00	48.78	53.05	69.37	39.36
Closing Equity	582.38	631.17	684.21	753.59	792.95
Average Equity	582.38	606.78	657.69	718.90	773.27
Return on Equity (Base Rate)%	16.00	16.00	16.00	16.00	16.00



Tax rate for the respective years %	16.995	33.217	32.445	32.445	33.990
Rate of Return on Equity (Pre Tax)%	19.276	23.958	23.684	23.684	24.239
Return on Equity (Pre Tax)	112.26	145.37	155.77	170.26	187.43
Annual Fees and Charges					
Depreciation	339.69	357.29	396.66	438.83	476.13
Interest on Loan	75.51	50.84	28.41	8.26	0.00
Return on Equity	112.26	145.37	155.77	170.26	187.43
O & M Expenses (excluding O& M expenses)	159.56	500.97	332.51	603.98	881.75
Human Resource Expenses	521.08	1051.13	894.86	1295.30	1502.00
Total	1208.10	2105.60	1808.21	2516.63	3047.31

42. The total truing up liability due to the variation in the trued up charges and the charges allowed vide order No. 83/2010 is as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Fees and Charges allowed vide order no. 83/2010	2350.77	3067.42	3595.33	4076.43	4341.45
Trued up fees and charges	1208.10	2105.60	1808.21	2516.63	3047.31
Truing up liability	-1142.67	-961.82	-1787.12	-1559.8	-1294.14

43. The petitioner has also claimed Foreign Exchange Rate Variation (FERV) of Rs. -11.03 lakhs on the foreign loan during the 2009-14 control period as under:-

(₹ in lakh)

Details	2009-10	2010-11	2011-12	2012-13	2013-	Total
Recovery on Account of FERV changes	0.00	0.00	1.88	-3.14	-9.77	-11.03

44. In accordance with para 5.4 of the Statement of Reasons in the RLDC fees regulations 2009, the foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises, shall be recoverable.



45. As per Regulation 18 (3) of the RLDC fees regulations 2009, NLDC charges and Corporate Office expenses shall be apportioned to the Regional Load Despatch Centres on the basis of the demands served in the respective regions. Accordingly, the NLDC charges and corporate office expenses and other fees as approved in this order shall be apportioned among the five RLDCs on the basis of the demand served.

46. As per clause (1) of the Regulation 9 of the RLDC fees regulations 2009, a separate fund called 'LDC Development Fund' has been created and as per clause (2) of the Regulation 9 of the RLDC fees regulations 2009, the charges on account of return on equity, interest on loan, depreciation and other income of the Regional Load Despatch Centre and National Load Despatch centre such as registration fee, application fee, short-term open access charges, etc are to be deposited to the LDC development fund. Under clause (3) of the Regulation 9 of the RLDC fees regulations 2009, the Power System Operation Company is entitled to utilise the money deposited to the LDC development fund for loan repayment, servicing the capital raised in the form of interest and dividend payment, meeting stipulated equity portion in asset creation and margin money for raising loan from the financial institutions and funding R & D projects. The Commission has observed that the petitioner i.e. M/s POSOCO has utilised the LDC development fund to finance only the debt portion of the additional capitalisation and the equity portion has been financed from the internal resources. It has also been observed by the Commission from the records that the petitioner has utilised the LDC development fund for payment of dividend during the years from 2010-11 to 2013-14 and a total dividend of ₹ 5055.00 lakh has been paid against the share capital of ₹ 3064.00 lakh.



47. The creation of 'LDC development Fund' has been envisaged to take care of the investment requirement towards technology up gradation and other facilities required for smooth functioning. Hence, the petitioner is directed to prioritise the utilisation of the LDC development for investment requirement towards technology up gradation and other facilities and restrict payment of dividend to 15.5% of the **subscribed share capital** that is equivalent to the return on equity. This will help conserve the LDC Fund in utilization towards capex and will avoid additional burden on this account on participating consumers.

48. This order disposes of Petition No.524/TT/2014.

**Sd/-
(A.S. Bakshi)
Member**

**Sd/-
(A. K. Singhal)
Member**

**Sd/-
(Gireesh B. Pradhan)
Chairperson**



Annexure-1

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in Lacs)

	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
1	Bond XXV					
	Gross loan opening	3.00	3.00	3.00	3.00	3.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.25	0.50
	Net Loan-Opening	3.00	3.00	3.00	2.75	2.50
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.25	0.25	0.25
	Net Loan-Closing	3.00	3.00	2.75	2.50	2.25
	Average Loan	3.00	3.00	2.88	2.63	2.38
	Rate of Interest	10.10%	10.10%	10.10%	10.10%	10.10%
	Interest	0.30	0.30	0.29	0.27	0.24
	Rep Schedule	12 Annual Installments from 12.06.2011				
2	Bond XXVIII					
	Gross loan opening	755.90	755.90	755.90	755.90	755.90
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00	62.99
	Net Loan-Opening	755.90	755.90	755.90	755.90	692.91
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	62.99	62.99
	Net Loan-Closing	755.90	755.90	755.90	692.91	629.92
	Average Loan	755.90	755.90	755.90	724.41	661.42
	Rate of Interest	9.33%	9.33%	9.33%	9.33%	9.33%
	Interest	70.53	70.53	70.53	67.59	61.71
	Rep Schedule	12 Annual Installments from 15.12.2012				
3	IBRD III (9.25 Lakhs @ 51.55)					
	Gross loan opening	476.84	476.84	476.84	476.84	476.84
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	23.20	47.42
	Net Loan-Opening	476.84	476.84	476.84	453.63	429.42
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	23.20	24.22	25.27
	Net Loan-Closing	476.84	476.84	453.63	429.42	404.15
	Average Loan	476.84	476.84	465.24	441.52	416.78
	Rate of Interest	2.58%	1.89%	1.98%	2.16%	1.86%
	Interest	12.30	9.03	9.20	9.54	7.76
	Rep Schedule	30 Half Yearly Installments from 15.09.2011				
4	IBRD III (2.16 Lakhs @ 49.33 drawl dt 12.05.2009)					
	Gross loan opening	106.55	106.55	106.55	106.55	106.55
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	5.19	10.60
	Net Loan-Opening	106.55	106.55	106.55	101.37	95.96



Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	5.19	5.41	5.65
Net Loan-Closing	106.55	106.55	101.37	95.96	90.31
Average Loan	106.55	106.55	103.96	98.66	93.13
Rate of Interest	2.58%	1.89%	1.98%	2.16%	1.86%
Interest	2.75	2.02	2.06	2.13	1.73
Rep Schedule	30 Half Yearly Installments from 15.09.2011				
5 IBRD III (0.33 Lakhs @ 50.381 drawl dt 15.05.2009)					
Gross loan opening	16.63	16.63	16.63	16.63	16.63
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.81	1.65
Net Loan-Opening	16.63	16.63	16.63	15.82	14.97
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.81	0.84	0.88
Net Loan-Closing	16.63	16.63	15.82	14.97	14.09
Average Loan	16.63	16.63	16.22	15.39	14.53
Rate of Interest	2.58%	1.89%	1.98%	2.16%	1.86%
Interest	0.43	0.31	0.32	0.33	0.27
Rep Schedule	30 Half Yearly Installments from 15.09.2011				
6 IBRD III (4.3205 Lakhs @ 50.381 drawl dt 15.05.2009) AddCap for 2009-10					
Gross loan opening	0.00	0.00	0.00	0.00	0.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00	0.00
Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Loan	0.00	0.00	0.00	0.00	0.00
Rate of Interest	2.58%	1.89%	1.98%	2.16%	1.86%
Interest	0.00	0.00	0.00	0.00	0.00
Rep Schedule	30 Half Yearly Installments from 15.09.2011				
Total Loan					
Gross loan opening	1358.92	1358.92	1358.92	1358.92	1358.92
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	29.45	123.16
Net Loan-Opening	1358.92	1358.92	1358.92	1329.47	1235.75
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	29.45	93.71	95.03
Net Loan-Closing	1358.92	1358.92	1329.47	1235.75	1140.72
Average Loan	1358.92	1358.92	1344.19	1282.61	1188.24
Rate of Interest	6.3508%	6.0486%	6.1293%	6.2264%	6.0350%
Interest	86.30	82.20	82.39	79.86	71.71

