

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**No. L-7/145(160)/2008-CERC**

**Dated, the 28<sup>th</sup> March, 2011**

**NOTIFICATION**

In exercise of powers conferred under section 178 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations, to amend the Central Electricity Regulatory Commission (fees and charges of Regional Load Despatch Centre and other related matters) Regulations, 2009, (hereinafter referred to as "the principal regulations"), namely:

1. **Short title and commencement:-** (1) These regulations may be called the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) (First Amendment) Regulations, 2011.

(2) These regulations shall come into force with effect from the date of their publication in the Official Gazette.

2. **Amendment of Regulation 3:-** Clause (25) of Regulation 3 of principal regulations shall be substituted as under, namely:

*"(25) 'user' means the generating companies, distribution licensees, buyers, sellers and inter -State transmission licensees, as the case may be, who use the inter-state transmission network or the associated facilities and services of National Load Despatch Centre and Regional Load Despatch Centres.*

*Note: A generating station or each stage of the generating station, where its scheduling, metering and energy accounting is done separately for each stage, shall be considered as a user for the purpose of sharing of Market Operation Charges in accordance with Regulation 23 and for registration and payment of Registration fees in accordance with Regulation 24 of these Regulations ;"*

3. **Amendment of Regulation 5:-** Clauses (4), (5) and (6) of Regulation 5 of the principal regulations shall be substituted as under, namely :

*“(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 Installments 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.”*

4. **Amendment of Regulations 15:-** The following clause shall be added at the end of Regulation 15 of principal regulations, namely:

*“(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”*

**5. Amendment of Regulations 16:-** Clauses (2) and (3) of Regulation 16 of the principal regulations shall be substituted as under, namely:

*“(2) The normalized human resource expenses, after prudence check, for the years 2004-05 to 2008-09, shall be escalated at the rate of 5.17% to arrive at the normalized human resource expenses at the 2008-09 price years and then averaged to arrive at normalized average human resource expenses for the 2004-05 to 2008-09 at 2008-09 price level. The average normalized human resource expenses at 2008-09 price level shall be escalated at the rate of 5.72% to arrive at the human resource expenses for year 2009-10*

*Provided that human resource expenses for the year 2009-10 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 2009-10.*

*Provided further that cost of anticipated increase in the manpower of each year of the control period shall also be considered after prudence check.”*

*(3) The human resource expenses for the year 2009-10 shall be escalated further at the rate of 5.72% per annum to arrive at permissible human resource expenses for the subsequent years of the control period.”*

**6. Amendment of Regulation 17:-** Clause (2) of Regulation 17 of the principal regulations shall be substituted as under, namely:

*“(2) Rate of interest on working capital shall be on normative basis and shall be considered as follows:*

*(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.”*

**7. Amendment of Appendix I Form-2:-** In Form-2 of principal regulations, the words “Prime Lending Rate of SBI as on.....” Shall be substituted with the words “Prime Lending Rate/Base Rate of SBI as on.....”

**8. Amendment of Appendix I Form 4B:-** In the footnote of the Form 4B of principal regulations, the words “generating company” shall be substituted with the words “Power System Operation Company”.

**9. Amendment of Appendix II:-** In the Appendix II to of principal regulations, the words and figures “To be published in pursuance of Clause (7) of Regulation 7” shall be substituted with the words and figures “To be published in pursuance of Clause (7) of Regulation 4”.

**10. Amendment of Appendix III:-** The depreciation rates against the following serial numbers shall be substituted as under:

“Sr. No.	Asset Particulars	Depreciation Rate
C	.....	
(a)	.....	
(i)	Offices and residential	3.34%
(ii)	.....	
(iii)	Temporary erections such as wooden structure	100.00%
(iv)	Roads other than kutcha roads	3.34%
(v)	Others	3.34%”

**Sd/-  
(Rajiv Bansal)  
Secretary**

**Note:** The principal regulations were published on 26<sup>th</sup> September, 2009 Part III Section 4 of the Gazettee of India Extraordinary No. 186.