

**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
MUMBAI**

**DRAFT MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION (LEVY AND COLLECTION OF FEES AND CHARGES
BY STATE LOAD DESPATCH CENTRE) REGULATIONS, 2014**

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Abbreviations

Capex	Capital Expenditure
CERC	Central Electricity Regulatory Commission
CPD	Co-incident Peak Demand
CPI	Consumer Price Index
CoD	Commercial Operation Date
FY	Financial Year
InSTS	Intra-State Transmission System
MERC	Maharashtra Electricity Regulatory Commission
NCPD	Non Co-incident Peak Demand
O&M	Operation & Maintenance
RLDC	Regional Load Despatch Centre
SBAR	State Bank Advance Rate
SBI	State Bank of India
SLDC	State Load Despatch Centre
SToA	Short-term Open Access
WPI	Wholesale Price Index
WRPC	Western Regional Power Committee

**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (LEVY AND
COLLECTION OF FEES AND CHARGES BY STATE LOAD DESPATCH CENTRE)
REGULATIONS, 2014**

Electricity Act 2003

No. MERC/TRF/SLDC-Regulations/2014/ : In exercise of the powers conferred by clause (g) of sub-section (2) of Section 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling in that behalf, the Maharashtra Electricity Regulatory Commission hereby makes the following Regulations, namely:-

1 Short title, extent, applicability and commencement

- 1.1 These Regulations may be called the Maharashtra Electricity Regulatory Commission (Levy and Collection of fees and charges by State Load Despatch Centre) Regulations, 2014.
- 1.2 These regulations shall come into force from the date of their publication in the Official Gazette.
- 1.3 These regulations shall be applicable for determination for fees and charges of State Load Despatch Centre including the Area Load Despatch Centres working under their control and other related matters.

2 Definitions

2.1 In these Regulations, unless the context otherwise requires:

- (1) “**Accounting Statement**” means for each financial year, the following statements, namely-
 - (i) balance sheet, prepared in accordance with the form contained in Part I of Schedule VI to the Companies Act, 1956 as amended from time to time;
 - (ii) profit and loss account, complying with the requirements contained in Part II of Schedule VI to the Companies Act, 1956;
 - (iii) cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) of the Institute of Chartered Accountants of India;
 - (iv) report of the statutory auditors“;
 - (v) cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956;

together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time;

Provided that till the State Load Despatch Centre remains part of the State Transmission Licensee, separate book of accounts for State Load Despatch Centre would have to be maintained by the transmission Licensee and the same would have to be audited and certified by the Statutory Auditor.

- (2) **“Act”** means the Electricity Act, 2003 (36 of 2003), as amended from time to time;
- (3) **“Additional capitalization”** means the capital expenditure incurred or projected to be incurred, after the date of commercial operation of the project and admitted by the Commission after prudence check;
- (4) **“Annual Fixed Charges”** means the requirement of the State Load Despatch Centre including that of the Area Load Despatch Centres for recovery, through fees & Charges, of allowable expenses and return on capital pertaining to its operations, in accordance with these Regulations;
- (5) **“Applicant”** means the State Load Despatch Centre who has made an application for determination of fees and Charges or an application for Mid-term Performance Review in accordance with the Act and these Regulations and includes the State Load Despatch Centre whose fees & charges are subject of a review by the Commission either on suo-motu basis or on a Petition filed by any interested or affected person or as part of a Mid-term Performance Review;
- (6) **“Auditor”** means an auditor appointed by the State Load Despatch Centre or State Transmission licensee, qualified for appointment as an auditor in accordance with the provisions of sections 224, or section 233B or section 619 of the Companies Act, 1956 (1 of 1956), or any other law for the time being in force;
- (7) **“Beneficiary”** means the Distribution Licensees in the state of Maharashtra who utilise the Intra-state Transmission system for transmission of power and also avail the services of the State Load Despatch Centre in matters related to scheduling, metering, energy accounting, operation of pool account, etc.

- (8) **“Buyer”** means a person buying power through short term or medium term or long term access and whose scheduling, metering and energy accounting is coordinated by the State Load Despatch Centre;
- (9) **“Capital cost”** means the capital cost as defined in Regulation 15 of these regulations;
- (10) **“Capital expenditure (CAPEX) plan”** means the expenditure of capital nature planned to be incurred during control period for creation of the assets of the State Load Despatch Centre;
- (11) **“Charges”** means recurring and monthly or semi-annual payments to be collected by the State Load Despatch Centre for the services rendered;
- (12) **“Co-incident Peak Demand”** means the demand for the distribution licensee occurring at the time of system peak demand for the state.
- (13) **“Commission”** means the Maharashtra Electricity Regulatory Commission (MERC);
- (14) **“Control period”** means a period comprising of five years from April 1, 2015 to March 31, 2020, and as may be extended by the Commission;
- (15) **“Day”** means the 24 hour period starting at 0000 hour;
- (16) **“Expenditure incurred”** means the fund, whether the equity or debt or both, actually deployed and paid in cash or cash equivalent, for creation or acquisition of a useful asset and does not include commitments and the liabilities for which no payment has been made;
- (17) **“Fees”** means the one-time or annual fixed payments collected by the State Load Despatch Centre for the services rendered on account of registration, membership or any other account as specified by the Commission from time to time;

- (18) **“Intra-State Transmission System (InSTS)”** means any system for conveyance of electricity by transmission lines within the area of the State and includes all transmission lines, sub-stations and associated equipment of Transmission Licensees in the State:

Provided that the definition of point of separation between a transmission system and distribution system and between a Generating Station and transmission system shall be guided by the provision of the Regulations notified by the Authority under clause (b) of Section 73 of the Act or any relevant Regulation notified from time to time;

- (19) **“Licensee”** means a person granted a licence under Section 14 of the Act;
- (20) **“Market operation function”** includes functions of scheduling, despatch, metering, data collection, energy accounting and settlement, transmission loss calculation and apportionment, operation of pool account and congestion charge account, administering ancillary services, information dissemination and any other functions assigned to the SLDC by the Electricity Act 2003 or by MERC regulations and orders;
- (21) **“Non-Coincident Peak demand”** means the peak demand for a Distribution Licensee during a period and such peak may or may not occur at the time of system peak demand of the state.
- (22) **‘Pool account’** means accounts for payments regarding Unscheduled Interchanges (UI Account) applicable under the Inter-State ABT mechanism or Intra-State ABT Settlement Charges as identified under the Intra-State ABT mechanism operating in the State from time to time or Reactive Energy Exchanges (Reactive Energy Account) or any other such Accounts which may be operated by State Load Despatch Centre from time to time as per the Regulations or directions of MERC;
- (23) **‘State Load Despatch Centre’ or ‘SLDC’** means the centre established under subsection (1) of section 31 of the Act;
- (24) **‘Seller’** means a person supplying power through short term or medium term or long term access and whose scheduling, metering and energy accounting is coordinated by State Load Despatch Centre;

- (25) **‘System operation function’** includes monitoring of grid operations, supervision and control over the Intra-State Transmission System, real-time operations for grid control and dispatch, system restoration following grid disturbances, compiling and furnishing data pertaining to system operation, congestion management, black start coordination and any other function(s) assigned to the SLDC by the Electricity Act 2003 or by MERC regulations and orders;
- (26) **‘User’** means the generating companies, distribution licensees, buyers, sellers and intra state transmission licensees, as the case may be, who use the intra–state transmission network or the associated facilities and services of State Load Despatch Centre;
- (27) **‘year’** means a financial year;

2.2 The words and expressions used in these regulations but not defined herein shall have the meanings assigned to them in the Act or other Regulations notified by the Commission.

PART A: GENERAL

3 Scope of Regulations and extent of application

- 3.1 The Commission shall determine fees and charges, including terms and conditions thereof, for all matters pertaining to the State Load Despatch Centre for which the Commission has jurisdiction under the Act.

Provided that the Commission shall determine such fees and charges, having regard to the terms and conditions contained in Part B, Part C, Part D, Part E and Part F of these Regulations for applications under this Regulation for determination of fees and charges for services provided by the State Load Despatch Centre.

PART B: GENERAL PRINCIPLES

4 Multi-Year Tariff Framework

- 4.1 The Commission shall determine fees and charges, covered under Regulation 3.1 above under a Multi-Year Tariff framework with effect from April 1, 2015.

Provided that the Commission may, either on suo-motu basis or upon application made to it by the applicant, exempt the determination of fees and charges of the State Load Despatch Centre under the Multi-Year Tariff framework for such period as may be contained in the Order granting such an exemption.

- 4.2 The Multi-Year Tariff framework shall be based on the following elements, for calculation of Annual Fixed Charges and expected revenue from fees and charges for the State Load Despatch Centre:
- (i) Control Period, before commencement of which a forecast of the Annual Fixed Charges and expected revenue from existing fees and charges shall be submitted by the applicant and approved by the Commission;
 - (ii) A detailed Capital Investment Plan based on the operational requirements prescribed by the Commission in the Fees & Charges Regulations & other relevant regulations notified by the Commission and recommendations of various committees constituted for looking into matters related to strengthening and ring fencing of the State Load Despatch Centres by the Ministry of Power, Govt. of India or any such statutory authorities, for each year of the Control Period, shall be submitted by the applicant for the Commission's approval;
 - (iii) Along with the Capital Investment Plan, the applicant shall submit the forecast of Annual Fixed Charges and expected revenue from existing fees and charges for each year of the Control Period, and the Commission shall approve the Annual Fixed charges for each year of the control period and fees and charges

for the State Load Despatch Centre, for the Control Period. The Commission shall also approve the sharing proportion amongst the beneficiaries (Distribution Licensee) for the fees and charges for the control period;

- (iv) The Commission shall, notify by order, the change in sharing proportion amongst the beneficiaries (Distribution Licensee) for the fees and charges for the remaining years of the control period along with the refund or recovery of Fees and Charges as determined by the Commission during the truing up process undertaken along with the Mid-Term Review of performance process, if required, as specified in these Regulations, , and notify by order, the change in Fees and Charges, as applicable to the State Load Despatch Centre;
- (v) Mid-term review of performance vis-à-vis the approved forecast shall be undertaken by the Commission along with truing up for the relevant years as specified in this Regulation;
- (vi) The mechanism for pass-through of approved variations as specified by the Commission in these Regulations;
- (vii) One-time determination of fees and charges of State Load Despatch Centre for each financial year within the Control period shall be undertaken at the start of the Control Period and also reviewed at the time of the Mid-term Performance Review.

5 Control Period

- 5.1 The Control Period under these Regulations shall be of five (5) financial years; the first application under these Regulations shall be made for the Control Period of five (5) financial years from April 1, 2015 to March 31, 2020.

6 Capital Investment Plan

- 6.1 The State Load Despatch Centre will file a Capital Investment Plan, for the Control Period of five (5) financial years from April 1, 2015 to March 31, 2020, as directed by the Commission, which shall comprise of the capital investment plan, financing plan and physical targets, in accordance with guidelines and formats, as stipulated by the Commission from time to time.
- 6.2 The Capital Investment Plan shall show separately, on-going projects that will spill into the year under review and new projects (along with justification) that will commence but may be completed within or beyond the tariff period. The Commission shall consider and approve the capital investment plan for which the State Load Despatch Centre may be required to provide relevant technical and commercial details.

Provided that the State Load Despatch Centre will submit details (Detailed Project Report) of each scheme involving outlay exceeding Rs 100 lakh along with Capital Investment Plan, sources of funding, and statement of justification/rationale for the scheme for the scrutiny and approval of the Commission.

7 Forecast

7.1 The applicant, along with the Capital Investment Plan, shall submit the forecast of Annual Fixed Charges and expected revenue from fees and charges, for the Control Period in such manner, within such time limit thereof as provided in Part C of these Regulations and accompanied by such fee payable, as may be specified under the MERC (Fees and Charges) Regulations, 2004, as amended from time to time.

7.2 Forecast of Annual Fixed Charges

7.3 The applicant shall develop the forecast of Annual Fixed Charges using the assumptions relating to the behaviour of individual variables that comprise the Annual Fixed Charges during the Control Period.

7.4 Based on the forecast of Annual Fixed Charges and expected revenue from existing fees and charges, the State Load Despatch Centre shall submit the forecast of fees and charges that would meet the gap, if any, in the Annual Fixed Charges.

7.5 The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.

7.6 On receipt of application, the Commission shall either-

- (a) issue an Order approving the fees and charges for the Control Period, as specified in these Regulations, subject to such modifications and conditions as it may specify in the said Order; or
- (b) reject the application for reasons to be recorded in writing, as the Commission may deem appropriate.

Provided that an applicant shall be given a reasonable opportunity of being heard before rejecting its application.

7.7 The Commission shall review the components considered in the fees and charges determination of the applicant, as specified in these Regulations, as part of the Mid-term Performance Review in accordance with Regulation 9.

8 Specific trajectory for certain variables

- 8.1 The Commission may at its own discretion stipulate a trajectory while approving the Annual Fixed Charges for certain variables.
- 8.2 The trajectory stipulated by the Commission in the order on Annual Fixed Charges submitted by the applicant, shall be incorporated while determining the applicant's Annual Fixed Charges and/or expected revenue from fees and charges under Regulation 7.

9 Mid-term Performance Review

- 9.1 Where the Annual Fixed Charges and expected revenue from fees and charges of the State Load Despatch Centre is covered under a Multi-Year Tariff framework, then the State Load Despatch Centre shall be subjected to a Mid-term Performance Review during the Control Period in accordance with this Regulation.
- 9.2 The State Load Despatch Centre shall make an Application for Mid-term Performance Review within the time limit specified in Regulation 12:

Provided that the State Load Despatch Centre shall submit to the Commission information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Annual Fixed Charges and expected revenue from fees and charges.

- 9.3 The scope of the Mid-term Performance Review shall be a comparison of the actual performance of the State Load Despatch Centre with the approved forecast of Annual Fixed Charges and expected revenue from fees and charges and shall comprise of the following:
- (a) a comparison of the audited performance of the applicant for the previous two financial years with the approved forecast for such previous financial year; and
 - (b) a comparison of the performance of the applicant for the first half of the current financial year with the approved forecast for the current financial year.
 - (c) carrying cost on surplus/deficit amounts as a result of the truing up for the previous financial years, if any, at the time of Mid-term Performance review.
- 9.4 The Commission shall carry out a detailed review of performance of the applicant vis-à-vis the approved forecast, as part of the Mid-term Performance Review.
- 9.5 The Commission shall also carry out truing up exercise along with the application for Mid-term Performance Review application as specified under Regulation 9.3 and also

at the time of the determination of fees and charges filed for the period after the expiry of the present control period, as applicable, for the fees and charges recovered for each relevant year.

- 9.6 The process of truing up of Annual SLDC fees Charges and SLDC Operating charges shall be as outlined below:
- 9.6.1 State Load Despatch Centre shall make an application, in the formats annexed as **Appendix I** to these regulations, for carrying out truing up exercise.
- 9.6.2 State Load Despatch Centre shall submit along with the application for truing up, details of capital expenditure including additional capital expenditure, sources of financing, employee expenditure, operation and maintenance expenditure, etc. incurred during the relevant Financial Years, duly audited and certified by the auditors.
- 9.6.3 The Commission will undertake prudence check at the time of undertaking the truing up and will approve the refund or recovery of fees & charges based on the same.
- 9.6.4 Where after the truing up the fees and charges recovered exceeds the fees and charges approved by the Commission under these regulations the State Load Despatch Centre, shall refund to the beneficiaries (Distribution Licensees), the excess amount so recovered along with simple interest at the rate equal to State Bank Advance Rate (SBAR) of State Bank of India as on 1st April of the respective year.
- 9.6.5 Where after the truing up the fees and charges recovered is less than the fees and charges approved by the Commission under these regulations the State Load Despatch Centre, shall recover from the beneficiaries (Distribution Licensees), the under-recovered amount along with simple interest at the rate equal to State Bank Advance Rate (SBAR) of State Bank of India as on 1st April of the respective year.
- 9.6.6 The amount under-recovered or over-recovered, along with simple interest at the rate equal to the State Bank Advance Rate (SBAR) of State Bank of India as on 1st April of the respective year, shall be recovered or refunded by the State Load Despatch Centre, in six equal monthly instalments starting within one month from the date of the Fees and charges order issued by the Commission after the truing up exercise. The refund or recovery of the charges will be affected in the same sharing proportion as applicable for the year for which the Truing up is being carried out.
- 9.7 Upon completion of the review under Regulation 9.4 and truing up process under Regulation 9.5 above, the Commission shall determine the quantum of variation in the Annual Fixed Charges that can be recovered from the beneficiaries (Distribution Licensees) on account of under-recovery from existing fees and charges or which has to be refunded back to the beneficiaries (Distribution Licensees) on account of over-

recovery from existing fees and charges by the State Load Despatch Centre on account of any variations or expected variations in components of the Annual Fixed Charges:

Provided however, that where the applicant or any interested or affected party believes, for any component of the Annual Fixed Charge that there is a material variation or expected variation in performance, for any financial year, such applicant or interested or affected party may apply to the Commission for inclusion of such variable, at the Commission's discretion, in the review under Regulation 9.4 above for such financial year.

- 9.8 The Commission may review the forecast of the State Load Despatch Centre for the remainder of the Control Period based on the outcome of the mid-term review process and approve necessary modifications to the forecast including sharing proportion amongst the beneficiaries (Distribution Licensee) for the fees and charges for the remaining years of the control period, if deemed necessary.
- 9.9 Upon completion of the Mid-term Performance Review, the Commission shall pass an order recording-
- (a) the approved quantum of variations in the Annual Fixed Charges that can be recovered from the beneficiaries or refunded to the beneficiaries by the State Load Despatch Centre.
 - (b) the approved modifications to the forecast of the State Load Despatch Centre for the remainder of the Control Period and the fees and charges for the remaining years of the control period based on the modifications including approved changes in the sharing proportion of fees and charges amongst the beneficiaries (Distribution Licensees).

PART C: APPLICATION AND PROCEDURE FOR DETERMINATION OF FEES AND CHARGES AND LDC DEVELOPMENT FUND

10 Application for determination of fees and charges

- 10.1 An application for determination of fees and charges shall be made in such form and in such manner as specified in this Regulation, and accompanied by such fees as may be specified under the MERC (Fees and Charges) Regulations, 2004, as amended from time to time.
- 10.2 State Load Despatch Centre shall make an application in the formats annexed as **Appendix I** to these regulations, for determination of fees and charges for the control period.

10.3 The proceedings to be held by the Commission for determination of fees and charges shall be in accordance with the MERC (Conduct of Business) Regulations, 2004, as amended from time to time.

10.4 Notwithstanding anything contained in these Regulations, the Commission shall at all times have the authority, either on suo motu basis or on a Petition filed by any interested or affected Party, to determine the fees and charges, including terms and conditions thereof, of the State Load Despatch Centre:

Provided that such determination of fees and charges may be pursuant to an agreement or arrangement or otherwise whether or not previously approved by the Commission and entered into at any time before or after the commencement of the Act.

11 Determination of fees and charges

11.1 The Commission shall determine the fees and charges of the State Load Despatch Centre based on an application made by the applicant in accordance with the procedure contained in this Regulation 11.

11.2 The application shall be accompanied by Capital Investment Plan (“CAPEX plan”) for State Load Despatch Centre for the control period indicating inter-alias, the sources of funds for investment. The Commission shall carry out prudence check of the CAPEX Plan and approve the same along with the determination of the fees and charges.

11.3 The applicant shall provide, based on the Capital Investment Plan, as part of its application to the Commission, in such form as may be stipulated by the Commission from time to time, full details of its calculation of the Annual Fixed Charges and expected revenue from fees and charges, and thereafter he shall furnish such further information or particulars or documents as the Commission or the Secretary or any Officer designated for the purpose by the Commission may reasonably require to assess such calculation:

Provided that the application shall be accompanied where relevant, by a detailed fees and charges revision proposal showing how such revision would meet the gap, if any, in Annual Fixed Charges required to be recovered for each year of the Control Period.

Provided further that the Commission may specify additional/alternative formats for details to be submitted by the applicant, from time to time, as it may reasonably require for assessing the Annual Fixed Charges and for determining the fees and charges.

11.4 Upon receipt of a complete application accompanied by all requisite information, particulars and documents in compliance with all the requirements specified in these Regulations, the application shall be deemed to be received and the Commission or the

Secretary or the designated Officer shall intimate to the applicant that the application is ready for publication.

- 11.5 The applicant shall, within three (3) days of an intimation given to him in accordance with Regulation 11.4, publish a notice, in at least two (2) English and two (2) Marathi language daily newspapers widely circulated in the state, outlining the proposed fees and charges, and such other matters as may be stipulated by the Commission in the same language as of the daily newspaper in which the notice of the application is published, in the formats as would be approved by the Commission from time to time, and inviting suggestions and objections from the public:

Provided that the applicant shall make available a hard copy of the complete application, to any interested party, at such locations and at such rates as may be stipulated by the Commission:

Provided further that the applicant shall also put up on its internet website, in downloadable spreadsheet format showing detailed computations, the application made to the Commission along with all regulatory filings, information, particulars and documents in the manner so stipulated by the Commission:

Provided further that the web-link to the information mentioned in the second proviso to Regulation 11.5 above shall be easily accessible, archived for downloading and shall be prominently displayed on the applicant's internet website:

Provided also that the applicant may not provide or put up any such information, particulars or documents, which are confidential in nature, with the prior approval of the Commission.

Explanation – for the purpose of this Regulation, the term “downloadable spreadsheet format” shall mean one (or multiple, linked) spreadsheet software files containing all assumptions, formulae, calculations, software macros and outputs forming the basis of the application.

- 11.6 The applicant shall furnish to the Commission all such books and records (or certified true copies thereof), including the Accounting Statements, operational and cost data, as may be required by the Commission for determination of fees and charges.
- 11.7 The Commission may, if it considers necessary, make or cause to be made available to any person, at any time, such information as has been provided by the applicant to the Commission including abstracts of such books and records (or certified true copies thereof) on such terms and conditions as may be specified in the MERC (Conduct of Business) Regulations, 2004, as amended from time to time:

- 11.8 The application made shall be supported by affidavit of the person acquainted with the facts stated in the application.

12 Time limit for making an application for determination of fees & charges

- 12.1 An application for determination of fees and charges, under a Multi-Year Tariff framework for the first Control Period from April 1, 2015 to March 31, 2020, shall be made to the Commission before the commencement of FY 2015-16, as directed by the Commission.
- 12.2 An application for Mid-term Performance Review under a Multi-Year Tariff framework for the first Control Period from April 1, 2015 to March 31, 2020, shall be made to the Commission not less than one hundred and twenty (120) days before the commencement of FY 2018-19.

13 Fees and Charges Order

- 13.1 The Commission shall, within one hundred and twenty (120) days from receipt of a complete application and after considering all suggestions and objections received from the public:
- (a) issue an Order accepting the application with such modifications or such conditions as may be specified in that Order;
 - (b) reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and Regulations made thereunder or the provisions of any other law for the time being in force:

Provided that an applicant shall be given a reasonable opportunity of being heard before rejecting its application.

- 13.2 The fees and charges so published shall be in force from the date specified in the said Order and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein.

14 Adherence to Tariff Order

- 14.1 No fees and charges or part of any fees and charges may be ordinarily amended, more frequently than once in Control Period, except in respect of any changes expressly permitted as specified in Part F of the Regulation.

14.2 The Commission, may, after satisfying itself for reasons to be recorded in writing, allow for the revision of fees and charges.

PART D: FINANCIAL PRINCIPLES

15 Capital Cost and Capital Structure

15.1 Capital cost for a project shall include:

- a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation on the loan during construction up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;
- b) capitalised initial spares to the extent of maximum 2% of the total capital cost; and
- c) additional capital expenditure determined under Regulation 16:

Provided that the assets forming part of the project but not put to use or not in use, shall be taken out of the capital cost.

15.2 The capital cost admitted by the Commission after prudence check shall form the basis for determination of fees and charges:

Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of fees and charges:

Provided further that the capital cost appearing in the books of accounts of the State Load Despatch Centre as on the date of transfer along with the approved CAPEX plan for the control period shall be the basis for determination of fees and charges.

15.3 The approved Capital Cost shall be considered for determination of fees and charges and if sufficient justification is provided for any escalation in the Project Cost, the same may be considered by the Commission subject to the prudence check:

Provided that in case the actual capital cost is lower than the approved capital cost, then the actual capital cost shall be considered for determination of fees and charges.

- 15.4 The actual capital expenditure on COD for the original scope of work based on audited accounts of the Company limited to original cost may be considered subject to the prudence check by the Commission.
- 15.5 The Commission may approve for each year of the Control Period, an additional amount equivalent to 20% of the total capital expenditure approved for respective financial year of the Control Period towards unplanned capital expenditure or the capital expenditure that is included under the Capital Investment Plan but is yet to be approved by the Commission.
- 15.6 Scrutiny of the cost estimates by the Commission shall be limited to the reasonableness of the capital cost, financing plan, interest during construction, use of efficient technology, and such other matters for determination of fees and charges.
- 15.7 Revaluation of assets shall be permitted during the Control Period provided it does not affect the fees and charges adversely. Any benefit from such revaluation shall be passed on to the beneficiaries at the time of Mid-term Performance Review and the truing up of each year of the Control Period.
- 15.8 Any expenditure on replacement, renovation and modernization or extension of life of old fixed assets shall be considered after writing off the net value of such replaced assets from the original capital cost and shall be calculated as follows:

Net Value of Replaced Assets = OCFA – AD;

Where;

OCFA: Original Capital Cost of Replaced Assets;

AD: Accumulated depreciation pertaining to the Replaced Assets.

Explanation – for the purpose of this Regulation, the term renovation and modernization shall have the same meaning as in Section 80 IA of the Income-Tax Act, 1961.

16 Additional Capitalisation

- 16.1 The following capital expenditure, actually incurred or projected to be incurred, on the following counts within the original scope of work, up to the cut-off date may be admitted by the Commission, subject to the prudence check:
- a) Due to Un-discharged liabilities within the original scope of work
 - b) On works within the original scope of work, deferred for execution

- c) To meet award of arbitration and satisfaction of final and unappealable order or decree of a court arising out of original capital cost,
- d) On account of change in law,
- e) On procurement of initial spares included in the original project costs subject to the ceiling norm laid down in Regulation 15.1;
- f) Any additional works/services, which have become necessary for efficient and successful operation but not included in the original scope of work:

Provided that original scope of work along with estimates of expenditure shall be submitted along with the application for fees and charges:

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for fees and charges.

16.2 Impact of additional capitalisation on fees and charges, if any, shall be considered during truing up of the expenditure, Mid-term Performance Review and fees and charges determination of next Control Period starting from April 1, 2020.

17 Debt-Equity Ratio

17.1 For a project declared under commercial operation on or after April 1, 2015, 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 of the capitalised asset, the actual equity shall be considered for determination of fees and 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, 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, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure.

17.2 If any fixed asset is capitalised on account of capital expenditure project prior to April 1, 2015, debt-equity ratio allowed by the Commission for determination of fees and charges for the period ending March 31, 2015 shall be considered:

Provided that in case of retirement or replacement of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of the retired or replaced asset:

Provided further that in case of separation of the State Load Despatch Centre from the State transmission licensee on account of a transfer scheme, the date of the transfer scheme shall be the effective date instead of April 1, 2015 for the determination of equity capital.

- 17.3 Any expenditure incurred or projected to be incurred on or after April 1, 2015, as may be admitted by the Commission as additional capital expenditure for determination of fees and charges, and renovation and modernisation expenditure for life extension, shall be serviced in the manner specified in this Regulation.

18 LDC Development Fund

- 18.1 State Load Despatch Centre shall create and maintain a separate fund called 'LDC Development Fund'. This fund should be created only after the ring fencing of the State Load Despatch Centre as mandated under Section 31 of the Electricity Act 2003 has been completed. Prior permission of the Commission should be sought for creation of this fund and the same shall be granted by the Commission at its discretion.
- 18.2 The charges on account of return on equity, interest on loan, depreciation and other income of the State Load Despatch Centre such as registration fee, application fee, short-term open access charges, etc. shall be deposited to the LDC development fund.
- 18.3 State Load Despatch Centre shall be 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.
- 18.4 The LDC development fund shall not be utilized for any other revenue expenditure. The Commission may seek necessary documentary evidence from State Load Despatch Centre to substantiate the same.
- 18.5 Any asset created by the State Load Despatch Centre out of the money deposited to the LDC development fund shall not be considered for computation of return on equity and interest on loan.

18.6 The Commission shall review the LDC development fund every year based on the necessary information, as specified by the Commission, provided by the State Load Despatch Centre.

PART E: COMPUTATION OF ANNUAL FIXED CHARGES

19 Components of Annual Fixed Charges

19.1 The annual fixed charges shall consist of the following components, namely:-

- a) Depreciation;
- b) Return on equity;
- c) Interest on loan capital;
- d) Tax on Income;
- e) Interest on Working Capital;
- f) Operation and maintenance expenses excluding employee expenses;
- g) Employee expenses;
- h) RLDC Fees and WRPC Charges

19.2 The components of the annual fixed charges shall be grouped under two heads: (a) Capital Charges; (b) Operating Charges;

19.3 The Capital Charges comprise of expenses such as (a) Depreciation, (b) Return on equity and (c) Interest on loan capital which are mainly linked to Gross Fixed Assets as well as capital expenditure proposed to be capitalized during the year.

19.4 Similarly, the Operating Charges comprise of expenses like (a) Tax on Income, (b) Interest on Working Capital, (c) Operation and maintenance expenses excluding employee expenses, (d) employee expenses and (e) RLDC Fees and WRPC Charges.

19.5 The recovery of the above charges will be as provided in the Regulation 33.

CAPITAL CHARGE COMPONENTS

20 Depreciation

20.1 The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission.

20.2 State Load Despatch Centre shall be permitted to recover depreciation on the value of fixed assets used in their respective Business computed in the following manner:

- a) The approved original cost of the project/fixed assets shall be the value base for calculation of depreciation:

Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the project/fixed assets of retired or replaced assets.

- b) Depreciation shall be computed annually based on the straight line method at the rates specified in the **Appendix - II** to these Regulations:

Provided that State Load Despatch Centre shall ensure that once the individual asset is depreciated to the extent of seventy (70) percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance useful life of the asset, as provided in these Regulations. Provided that the State Load Despatch Centre shall submit all such details or documentary evidence, as may be required under this Regulation and as stipulated by the Commission, from time to time, to substantiate the above claims.

- c) The salvage value of the asset shall be considered at 10 per cent of the allowable capital cost and depreciation shall be allowed upto a maximum of 90 per cent of the allowable capital cost of the asset.

20.3 Land other than the land held under lease shall not be a depreciable assets and its cost shall be excluded from the capital cost while computing depreciable value of the assets.

20.4 In case of the existing assets, the balance depreciable value as on April 1, 2015, shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto March 31, 2015, from the gross depreciable value of the assets:

Provided that depreciation shall be chargeable from the first year of commercial operation.

20.5 In case of projected commercial operation of the assets for part of the year, depreciation shall be calculated based on the average of opening and closing value of assets, approved by the Commission.

Provided that depreciation shall be re-calculated for assets capitalised at the time of yearly truing up or Mid-term Performance Review or at the time of truing up during determination of tariff for second Control Period, based on documentary evidence of assets capitalised by the applicant, subject to the prudence check of the Commission, such that the depreciation is calculated proportionately from the date of capitalisation.

21 Return on Equity

21.1 Return on equity capital for State Load Despatch Centre shall be computed on the equity capital determined in accordance with Regulation 17 at the rate of 15.5 % per cent per annum, in Indian Rupee terms, on the amount of equity capital determined in accordance with Regulation 17.

21.2 The return on equity capital shall be computed in the following manner:

- a) Return at the allowable rate as per this Regulation above, applied on the amount of equity capital at the commencement of the financial year; plus
- b) Return at the allowable rate as per this Regulation above, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use, calculated in accordance with Regulation 15 and Regulation 16 above, for such financial year.

22 Interest on Loan Capital

22.1 The loans arrived at in the manner indicated in Regulation 17 shall be considered as gross normative loan for calculation of interest on loan.

Provided that in case of retirement or replacement of assets, the loan capital approved as mentioned above, shall be reduced to the extent of 70% (or actual loan component based on documentary evidence, if it is higher than 70%) of the original cost of the retired or replaced assets.

22.2 The normative loan outstanding as on April 1, 2015, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2015, from the gross normative loan.

- 22.3 The repayment for the year of the tariff period FY 2014-15 to FY 2018-19 shall be deemed to be equal to the depreciation allowed for that year:
- 22.4 Notwithstanding any moratorium period availed by State Load Despatch Centre, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed,
- 22.5 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year:
- Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:
- Provided further that if State Load Despatch Centre does not have actual loan, then the weighted average rate of interest of state transmission licensee shall be considered.
- 22.6 The interest on loan shall be calculated on the normative average loan of the year by applying the weightage average rate of interest.

OPERATING CHARGE COMPONENTS

23 Tax on Income

- 23.1 The Commission, in its Multi Year Order for Fees and Charges, shall provisionally approve Income Tax payable for each year of the Control Period, if any, based on the actual income tax paid on permissible return as allowed by the Commission relating to the electricity business regulated by the Commission, as per latest Audited Accounts available for the applicant, subject to prudence check:

Provided that no Income Tax shall be considered on the amount of efficiency gains and incentive, if any, earned by State Load Despatch Centre.

Provided further that State Load Despatch Centre shall bill the Income Tax under a separate head called "Income Tax Reimbursement" in their respective bills.

Provided further that till the State Load Despatch Centre continues to be part of the State Transmission licensee, the income tax payable by the State Load Despatch Centre shall not be recoverable through the fees and charges of State Load Despatch Centre and shall be part of the tariff filings by the State Transmission Licensee.

- 23.2 Variation between Income Tax actually paid and approved, if any, on the income stream of the regulated business shall be reimbursed to/recovered, based on the documentary evidence submitted at the time of truing up or Mid-term Performance

Review and Multi Year Order for fees and charges of second Control Period, subject to prudence check.

- 23.3 Under-recovery or over-recovery of any amount from the beneficiaries or the consumers on account of such income tax having been passed on to them shall be on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. State Load Despatch Centre may include this variation in its Mid-term Performance Review Petition and Multi Year Petition for fees and charges of next Control Period:

Provided that tax on any income stream from other than the business regulated by the Commission shall not constitute a pass through component in fees and charges and tax on such other income shall be borne by State Load Despatch Centre.

24 Operation and Maintenance Expenses (excluding Employee expenses)

- 24.1 Operation and Maintenance excluding employee expenses (O&M) expenses for the State Load Despatch Centre shall include:

- a) Administrative and General Expenses;
- b) Repairs and Maintenance Expenses.

- 24.2 The Operation and Maintenance expenses for the base year i.e. FY 2014-15, shall be derived on the basis of the normalized average of the actual Operation and Maintenance expenses available in the audited/un audited accounts for the previous three (3) years immediately preceding the base year FY 2014-15, subject to prudence check by the Commission. The O&M expenses shall be normalized by excluding abnormal expenses, etc. if any, after prudence check by the Commission.

- 24.3 The normalization shall be done by applying weighted average inflation at the rate of 60% weightage to actual variation in CPI and 40% weightage to actual variation in WPI on year to year basis. The weighted average point to point rate of inflation is used for this purpose over the period of 3 years (i.e. November 2010 to November 2013) is 9.30%.

- 24.4 The average of normalized net present value for FY 2011-12, FY 2012-13 and FY 2013-14, shall then be used to project base year value for FY 2014-15. The methodology to be adopted for the same is illustrated below:

Illustrative O&M expenditure for the period under consideration:

(Rs. Lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14
<i>A & G Expenses</i>	2000	2200	2400
<i>R & M Expenses</i>	3000	3200	3400
Total O&M Expenses (Excl. HR expenses)	5000	5400	5800

O&M expenses of each year is normalized @ 9.30% to arrive at normalized O&M expenses at the FY 2013-14 price level as follows:

FY 2011-12= (5000) × (1.0930)² = Rs. 5,973.25 lakh

FY 2012-13= (5400)× (1.0930) = Rs. 5,902.20 lakh

FY 2013-14= (5800) = Rs. 5,800.00 lakh

Sum = Rs. 17,675.45 lakh

*Average normalized O&M at FY 2012-13 price level= 17,675.45 / 3
= Rs. 5,891.82 lakh*

The Average normalized O&M at FY 2013-14 price level so obtained shall be escalated @ 9.30% to arrive at O&M for the year 2014-15 which is the base year.

- 24.5 The base year value so arrived shall be escalated by the above inflation rate of 9.30% to estimate the O&M expense for each year of the control period. At the time of true up, the O&M cost shall be considered after taking into account the actual inflation instead of projected inflation for that period.

Provided further that any expenditure over and above the expenditure for the control period estimated based on the aforesaid methodology may be considered by the Commission at its discretion, based on submission by State Load Despatch Centre in this regards, at the time of issuing the Multi-Year Tariff Order, subject to prudence check and any other factor considered appropriate by the Commission.

Provided further that any expenditure over and above the approved expenditure for the control period may be considered by the Commission during the true-up as per audited /unaudited accounts, subject to prudence check and any other factor considered appropriate by the Commission.

25 Employee Expenses

25.1 Employee expenses for the base year i.e. FY 2014-15, shall be derived on the basis of the normalized average of the actual Employee expenses available in the audited/un audited accounts for the previous three (3) years immediately preceding the base year FY 2014-15, subject to prudence check by the Commission. The employee expenses shall be normalized by excluding abnormal employee expenses, ex-gratia, VRS expenses, prior-period adjustments, claims and advances written-off, provisions, etc, if any, after prudence check by the Commission.

25.2 The normalised employee expenses, after prudence check, for the FY 2011-12 to FY 2013-14, shall be escalated at the rate of 9.30% as mentioned under Regulation 24 to arrive at the normalized employee expenses at the FY 2013-14 price level respectively and then averaged to arrive at normalized average employee expenses for the FY 2011-12 to FY 2013-14 at FY 2013-14 price level as illustrated under Regulation 24. The Average normalized employee expenses at FY 2013-14 price level so obtained shall be escalated @ 9.30% to arrive at employee expenses for the FY 2014-15 which is the base year.

Provided further that the base year price level so obtained may be adjusted further so as to absorb the impact of addition of employees during the control period which may be proposed by the State Load Despatch Centre in line with the recommendations of the Gireesh Pradhan Committee Report, subject to necessary prudence check by the Commission.

25.3 The base year value so arrived, shall be escalated by the above inflation rate of 9.30% to estimate the employee expense for each year of the control period. At the time of true up, the employee cost shall be considered after taking into account the actual inflation instead of projected inflation for that period.

Provided further that any expenditure over and above the approved expenditure for the control period may be considered by the Commission during the true-up as per audited /unaudited accounts, subject to prudence check and any other factor considered appropriate by the Commission

Provided further that impact of pay revision (including arrears), if any, shall be considered on during the true-up as per audited /unaudited accounts, subject to prudence check and any other factor considered appropriate by the Commission.

26 Interest on Working Capital

26.1 The State Load Despatch Centre shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- a) One-twelfth (1/12th) of the amount of operation and maintenance expenses (excluding employee expenses) for such financial year; plus
- b) One-twelfth (1/12th) of the amount of employee expenses for such financial year; plus
- c) Fifteen (15) days equivalent of receivables corresponding to operating charges only. The Operating Charges will include all the expenses under the Annual Fixed Charges excluding the expenses pertaining to depreciation, return on equity and interest on loan capital;

26.2 Rate of interest on working capital shall be on normative basis and shall be equal to the State Bank Advance Rate (SBAR) or the Benchmark Prime Lending Rate (BPLR) of State Bank of India as on the date on which the application for determination of fees and charges is made.

27 RLDC Fees and WRPC charges

27.1 The RLDC fees and charges payable by the State Load Despatch Centre in accordance to the relevant orders issued by the CERC in the matter and as amended from time to time shall be allowed to be recovered by the State Load Despatch Centre through the fees and charges as approved by the Commission.

27.2 In addition to the above, the WRPC charges payable on account of the WRPC's Secretariat shall be allowed to be recovered by the State Load Despatch Centre through the fees and charges as approved by the Commission. The quantum of such charges shall be in accordance to the charges specified by the WRPC and as amended from time to time.

27.3 The State Load Despatch Centre will have to produce documentary proof towards payment of such charges during the process of mid-term review and final truing up of the annual fees & charges as per the procedure outlined in this Regulation. Any variation in the approved RLDC fees and charges and WRPC charges and that actually paid by the State Load Despatch Centre, if any, shall be considered on during the true-up as per audited /unaudited accounts, subject to prudence check and any other factor considered appropriate by the Commission.

PART F: LEVY AND COLLECTION OF FEES AND CHARGES

28 Collection

28.1 The State Load despatch Centre shall be entitled to collect the fees and charges as determined under these regulations.

28.2 SLDC Charges shall comprise of following components:

- **Annual SLDC Charges** – corresponding to capital charge related budget components comprising of Depreciation, Interest on Loan and Return on Equity; payable on semi-annual basis.
- **SLDC Operating Charges** – corresponding to annual operating cost budget comprising of Operation and Maintenance expenses (excluding employee expenses), employee expenses, interest on working capital, Tax on Income and RLDC fees and charges; payable on monthly basis.

28.3 The State Load Despatch Centre shall be entitled to levy and collect registration fees and other charges from the users as specified in these regulations.

28.4 The State Load Despatch Centre shall be entitled to levy and collect fees and charges for any other services rendered to the users as specified in any other regulations.

29 Sharing of SLDC Charges

29.1 Sharing of SLDC Charges for the all the years of the control period will be done among the beneficiaries (Distribution Licensees) on the basis of proportion of Distribution Licensee's contribution to average of Coincident Peak Demand (CPD) and Non-coincident Peak Demand (NCPD) recorded for the period October 2013 to September 2014.

Provided further that the sharing proportion for the charges may be revised, by the Commission at its discretion for the remaining part of the control period during the Mid-Term review process undertaken as per provisions of Regulation 9, based on the submission by the Distribution Licensees in this regard and subject to prudence check by the Commission.

29.2 Annual SLDC Charges shall be recovered on a semi-annual basis on 10th April and 10th October of each financial year.

29.3 The SLDC Operating Charges shall be recovered from the beneficiaries (Distribution Licensees) on a monthly basis.

30 Registration or Connection Fees

30.1 The State Load Despatch Centre shall be entitled to recover Registration or Connection fees at the rate of Rs. 10,000/- (Rupees Ten Thousand Only) per connection from all users connecting to the intra-state transmission system (InSTS).

30.2 The users shall register themselves with the State Load Despatch Centre concerned by filing application in the format prescribed as **Appendix-III** to these regulations. The users include all generating companies, distribution licensees and transmission open access users.

30.3 The application for registration shall be accompanied by a one-time fee of Rs 10,000/- (Rupees Ten Thousand Only).

30.4 The existing users, if not registered previously, shall register themselves with the State Load Despatch Centre concerned by filing an application along with the fees of Rs 10,000/- (Rupees Ten Thousand only) within a month of coming into force of these regulations.

30.5 The revenue from such fees shall be considered for adjustment of SLDC budget in subsequent years unless the same forms part of the LDC Development Fund.

31 Scheduling and Re-scheduling Charges

31.1 The State Load Despatch Centre is required to undertake 'scheduling' process on day-ahead basis in accordance with State Grid Code Regulations, co-ordinate with RLDC and facilitate open access transactions.

31.2 Accordingly, the State Load Despatch Centre shall be entitled to scheduling charges at the rate of Rs. 1,000/- (Rupees One Thousand Only) per day for intra-State short term open access transactions.

31.3 The State Load Despatch Centre is entitled to levy Rescheduling charges on generating companies, distribution licensees, trading companies, transmission OA users, as the case may be, at the rate of Rs 3000/- (Rupees Three Thousand Only) for each revision in schedule after the finalization of schedules by State Load Despatch Centre on a day-ahead basis or for non-submission of schedule as per State Grid Code requirements.

31.4 The revenue from such scheduling and rescheduling charges shall be considered for adjustment of SLDC budget in subsequent years unless the same forms part of the LDC Development Fund.

32 Short Term Open Access Application Processing Fees

32.1 The State Load Despatch Centre, as Nodal Agency for short-term Transmission Open Access (STOA) transactions, is responsible for facilitating and processing of short-term open access applications in accordance with the procedures formulated for the purposes.

32.2 Accordingly, the Commission has approved non-refundable application processing fees of Rs 5000/- (Rupees Five Thousand Only) per application in case of short-term open access transactions.

32.3 The revenue from such processing fees shall be considered for adjustment of SLDC budget in subsequent years.

PART G: BILLING

33 Billing and Payment of Charges

33.1 Bills shall be raised on monthly / semi-annual basis by the State Load Despatch Centre in accordance with these regulations, and payments shall be made by the users / beneficiaries directly to State Load Despatch Centre.

33.2 Annual SLDC Charges shall be payable by the Distribution Licensee on a semi-annual basis on 10th April and 10th October of each financial year.

33.3 The SLDC Operating Charges shall be recovered from the beneficiaries (Distribution Licensees) on a monthly basis.

33.4 State Load despatch Centre shall raise monthly bill for SLDC Operating Charges on every Distribution Licensee on 1st working day of the Month for the SLDC Operating Charges of preceding month. (E.g. SLDC Operating Charges bill for the month of July shall be raised on 1st working day of August)

33.5 The monthly bill for SLDC Operating Charges for each calendar month shall be payable by 15th day of subsequent calendar month by the Distribution Licensees. (E.g. SLDC Operating Charges bill for the month of July shall be payable by 15th day of August)

33.6 Persistent default in payment of State Load Despatch Centre fees and charges would be brought to the notice of the Commission.

34 Late Payment Surcharge

34.1 In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary (Distribution Licensee) beyond a period mentioned under Regulation 33, a late payment surcharge at the rate of 1.25% per month or part thereof shall be levied by the State Load Despatch Centre.

PART H: MISCELLANEOUS PROVISIONS

35 Power to Amend

35.1 The Commission may, at any time, vary, alter, modify or amend any provisions of these Regulations.

36 Power to Remove Difficulties

36.1 If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

37 Repeal and Savings

37.1 Any proceedings before the Commission pertaining to the period till FY 2013-14, including review Petitions, shall be governed by Regulations applicable during issue of orders pertaining to such petitions or as per directions/guidelines of the Commission issued through relevant orders in the matter.

APPENDIX - I: FORMATS FOR FILING

APPENDIX - I1: DEPRECIATION SCHEDULE

Description of Assets		Depreciation (Straight line) (%)
A.	Land owned under full title	--
B.	Land held under lease	
a)	for investment in the land	3.34
b)	for cost of clearing the site	3.34
c)	Land for reservoir in case of Hydro Generating Station	3.34
C.	Assets Purchased New:	
a.	Plant and machinery in Generating Stations including plant foundations	
i)	Hydro-electric	5.28
ii)	Steam electric	5.28
	NHRS & Waste Heat Recovery Boilers/Plants	
iii)	Diesel-electric and gas plant	5.28
b.	Cooling towers and circulating water systems	5.28
c.	Hydraulic works forming part of Hydro-electric systems including:-	
i)	Dams, Spillways, weirs, canals, reinforced concrete Flumes and siphons	5.28
ii)	Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works	5.28
d.	Building & civil engineering works of permanent character	
i)	Offices & showrooms	3.34
ii)	Containing thermo-electric generating plant	3.34
iii)	Containing hydro-electric generating plant	3.34
iv)	Temporary erection such as wooden structures	100
v)	Roads other than kutchra roads	3.34
vi)	Others	3.34
e.	Transformers, transformer (Kiosk) sub-station equipment & other fixed apparatus (including plant foundations)	
i)	Transformers (including foundations) having a rating of 100 kilo volt amperes and over	5.28
ii)	Others	5.28
f.	Switchgear including cable connections	5.28
g.	Lightning arrestors	
i)	Station type	5.28
ii)	Pole type	5.28
iii)	Synchronous condenser	5.28
h.	Batteries	5.28

Description of Assets		Depreciation (Straight line) (%)
	i) Underground Cable including joint boxes and disconnected boxes	5.28
	ii) Cable duct system	5.28
i.	Overhead lines including supports:	
	i) Lines on fabricated steel operating at nominal voltages higher than 66 kV	5.28
	ii) Lines on steel supports operating at nominal voltages higher than 13.2 kilovolts but not exceeding 66 kilovolts	5.28
	iii) Lines on steel or reinforced concrete supports	5.28
	iv) Lines on treated wood supports	5.28
j.	Meters	5.28
k.	Self-propelled vehicles	9.5
l.	Air conditioning plants:	
	i) Static	5.28
	ii) Portable	9.5
m.		
	i) Office furniture and fittings	6.33
	ii) Office equipment	6.33
	iii) Internal wiring including fittings and apparatus	6.33
	iv) Street light fittings	5.28
n.	Apparatus let on hire	
	i) Other than motors	9.5
	ii) Motors	6.33
o.	Communication equipment:	
	i) Radio and high frequency carrier system	6.33
	ii) Telephone lines and telephones	6.33
p.	I.T. equipment	15
q.	Software	30
r.	Assets purchased second hand and assets not otherwise provided for in the Schedule	5.28

APPENDIX – III: FORMAT FOR APPLICATION FOR REGISTRATION WITH SLDC

(For Generating Companies)

Format of Application for Registration with SLDC as user of intrastate Transmission System

Sr.No.	Particulars	Applicant's Details
1	Name of the Generating Company	
2	Address of the Generating Company/ Authorized Person	Name : Designation : Address : Contact Details : Office No : Fax No. : Mobile No : Email ID :
3	Location of the Generating Station	
4	Location of Interface with Grid (Enclose a layout of switch yard)	
5	Total Installed Capacity	
6	Commercial Operation Date (COD) of the Generating station	
7	Nature of use of Energy	Supply to Licensees / wheeling to 3rd parties / wheeling for captive use
8	Transmission capacity contracted as on (Please enclose details of Licensees)	

Sr.No.	Particulars	Applicant's Details
	(a) For supply to Licensees	
	(b) For wheeling to 3 rd parties	
	(c) For wheeling for captive use	
9	Agreement period for supply to licensees	
10	Details of communication system installed for communication of data to SLDC	
11	Establishment in-charge of control room for communication with SLDC	
12	Details of Registration fee paid	
13	Any other information useful for assisting efficient Grid Operation	

(Please enclose separate sheets for additional information)

Place:
Date:

Signature of the Authorized Officer
Name:
Designation:
Contact No.

(For Distribution Licensees /Transmission Open Access User (TOAU))

Format of Application for Registration with SLDC as user of intrastate Transmission System

Sr. No	Particulars	Applicant's Details
1	Name of the Distribution Licensee /TOAU	
2	Address of the Distribution Licensee / TOAU	Name : Designation : Address : Contact Details : Office No : Fax No. : Mobile No : Email ID :
3	Location of Interface with Grid (Attach a list of voltage-wise Grid substations/lines along with details of location, capacity, No. of bays, line length, type of line, date of commissioning etc.)	
4	Total capacity (Max. Demand that can be served)	
5	Transmission capacity contracted from Transmission Licensees (Enclose list of Transmission Licensees with details)	
6	Capacity contracted to Open Access consumers (Enclose list of consumers with details)	

Sr. No	Particulars	Applicant's Details
7	Details of communication system available for communication of data to SLDC (Enclose substation-wise details)	
8	Designation of the personnel responsible for operation of Grid substations (Enclose substation-wise details)	
9	Details of the registration fee paid	
10	Any other information useful for assisting efficient Grid Operation:	

(Please enclose separate sheets for additional information)

Place:
Date:

Signature of the Authorized Officer
Name:
Designation:
Contact No.

Mumbai
Dated: _____, 2014

Secretary,
Maharashtra Electricity Regulatory Commission