

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Lucknow

No.

Dated:

UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulation, 2019.

In exercise of powers conferred under Section 32 & 33 read with Section 181 of the Electricity Act, 2003 and of all other powers enabling in this behalf, and after previous publications, the Uttar Pradesh Electricity Regulatory Commission hereby makes the following Regulations, namely: -

Chapter -1:

PRELIMINARY

1 Short Title, Extent, Applicability and Commencement:

- (a) These Regulations shall be called the Uttar Pradesh Electricity Regulatory Commission (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2019 and will supersede the Uttar Pradesh Electricity Regulatory Commission (Procedure, Terms & Conditions for payment of Fee and Charges to State Load Despatch Centre and other related provisions) Regulations, 2004.
- (b) These Regulations shall extend to the whole State of Uttar Pradesh.
- (c) These Regulations shall be applicable for determination of fees and charges to be collected by State Load Despatch Centre from the Generating Companies, Distribution Licensees, Intra State Transmission Licensees, Buyers, Sellers, Trading Licensees and any other Users.
- (d) These Regulations shall come into effect from the date of their publications in the Official Gazette, and unless reviewed earlier or extended by the Commission, shall be applicable from 1st April, 2021 & will be published in the official Gazette.

2 Definitions and Interpretation

2.1 In these Regulations unless the context or subject-matter otherwise requires:

“Act” means the Electricity Act, 2003 (36 of 2003); as amended from time to time;

“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;

“Agreement” means the agreement entered into between the generating company and licensee or consumer and between licensees;

“Annual Accounts or Accounting Statements” means for each financial year:

- i. The Balance sheet, prepared in accordance with the form contained in Part I of Schedule III to The Companies Act, 2013 and its predecessors.
- ii. Cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) as notified by the Central Government within the provisions of section 133 of The Companies Act, 2013 and its predecessors.
- iii. Cost Accounting Records prescribed by the Central Government under section 148 of The Companies Act, 2013 and its predecessors.
- iv. Notes on accounts thereto, and such other supporting statements and information forming part of financial statements or as the Commission may direct from time to time.
- v. Profit and loss account, complying with the requirements contained in Part II of Schedule III to The Companies Act, 2013 and its predecessors.
- vi. Report of the statutory auditors and Comptroller and Auditor General, including any annexure and appendix thereto.

“Annual LDC Charges (ALC)”: The Annual LDC charges (ALC) shall comprise the Aggregate Revenue Requirement (ARR) for meeting the annual expenditure to be incurred by the SLDC as approved by the Commission;

“Auditor” means an auditor appointed by the SLDC, 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), as amended from time to time or Chapter X of the Companies Act, 2013 (18 of 2013), or any other law for the time being in force;;

“Authority” means Central Electricity Authority;

“Buyer” means a person buying power through Long/Medium/Short-Term Open Access and whose scheduling, metering and energy accounting is coordinated by the State Load Despatch Centre;

“Capital Expenditure” or “Capex” means the expenditure of capital nature planned to be incurred during the Control Period for creation of assets of the State Load Despatch Centre, as the case may be;

“Captive Generating Plant” means a power plant set up by any person to generate electricity primarily for his own use and include a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association;

“Charges” means recurring payments on monthly basis to be collected by the State Load Despatch Centre or any other charges specified in the Regulations;

“Commission” means the Uttar Pradesh Electricity Regulatory Commission (UPERC);

“Central Commission” means Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;

“Contracted Capacity” means the capacity arranged through Long/Medium/Short term Open Access;

“Control Period” means the period comprising five years from April 1, 2021 to March 31, 2025, and as may be extended by the Commission;

“Day” means the 24-hour period starting at 00:00 hour;

“Deviation Settlement Mechanism”: shall mean and include the framework for energy accounting, Deviation Accounting, Rules for pricing of Deviation(s) payable and receivable by State Entities and other design parameters;

“Distribution Licensee” means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

“Distribution System” means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers;

“Deemed Licensee” means a person authorized under the first, second, third and fifth

proviso to section 14 of the Act;

“Expenditure Incurred” means the fund, whether 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;

“Electricity Trader” – means a person who has been granted a license to undertake trading in electricity;

“Fees” means the non-refundable one-time or fixed payments collected by the State Load Despatch Centres, or in a defined periodicity, by the State Load Despatch Centre, for the services rendered for commencement of grid access and scheduling and on account of registration, membership or any other purpose as specified by the Commission from time to time;

“Financial Year” means a period commencing on April 1st of a calendar year and ending on March 31st of the subsequent calendar year;

“Generating Company” means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial judicial person, which owns or operates or maintains a generating station;

“Generate” means to produce electricity from generating stations for the purpose of giving supply to any premises or enabling a supply to be so given;

“Grid” means the high voltage backbone system of inter connected transmission lines, sub-stations and generating plants;

“Grid Code” means U.P. Electricity Grid Code, the grid code developed by the State Transmission Utility approved by the Commission or specified by the Commission under the provision of the Act, covering all material technical aspects relating to connections to and the operation of the Grid, the use of a Transmission System, or (in so far as relevant the operation and use of a Transmission System) the operation of electric lines and electrical plant connected to the Transmission System, the Distribution Systems, or the system of any Supplier, and shall include the Interim Grid Code;

“Grid Access” means the permission granted by the SLDC for integration of the

generating station including a stage or unit of the generating station, or licensees, buyers and sellers with the grid on meeting the technical requirements;

“Inter-State transmission system” includes –

- i) Any system for the conveyance of electricity by means of main transmission line from the territory of one State to another State;
- ii) The conveyance of electricity across the territory of an intervening state as well as conveyance within the State, which is incidental to such Inter-State transmission of electricity;
- iii) The transmission of electricity within the territory of the State on a system built, owned, operated, maintained or control by a Central Transmission Utility;

“Intra-State transmission system” means any system for transmission of electricity other than an Inter-State transmission system;

“Intra-State trading,” means trading in electricity within the territory of the State by an electricity trader;

“License” means a licence granted under clause (a) and clause (b) of Section 14 of the Act;

“Long-term Transmission customer” means a person having a long-term transmission service agreement exceeding five years with the Transmission Licensee to use intra-State Transmission system by virtue of paying transmission charges and a Distribution Licensee shall necessarily be a long-term user for which it will be required to enter into appropriate agreement with the Transmission Licensee;

“Medium-term Transmission customer” means a person having a medium-term transmission service agreement exceeding three months but not exceeding five years with the Transmission Licensee to use the intra- State Transmission system by virtue of paying transmission charges;

“Power System” means all aspects of generation, transmission, distribution and supply of electricity and include one or more of the following, namely- Generating Stations, Transmission or main transmission lines, sub stations, tie lines, Load Despatch activities and mains or distribution mains etc;

Regional Load Dispatch Centre” means the Centre for each region established by the Central Government under sub-section (1) of section 27 of the Act;

“Regulations” means the Regulations made by the Uttar Pradesh Electricity Regulatory Commission, under the provisions of the Act or the State Act;

“Short term Transmission Customer” means a person who has availed or intends to avail short term Open Access, i.e., Open Access for a period of less than or equal to three months;

“State” means the State of Uttar Pradesh;

“State Act” means the Uttar Pradesh (Uttar Pradesh Electricity Reform Act 1999) not inconsistent with Act,2003;

“State Government” means the Government of the State of Uttar Pradesh;

“Trading” means purchase of electricity for resale thereof and the expression trade shall be construed accordingly;

“Trading Licensee” means the License under section 14 of the Act for undertaking Trading and shall include Deemed Licensee for the purpose;

“Transmission Licensee” means the entity, which has been granted a Transmission License or is a deemed Licensee under the first, second, third or fifth proviso of Section 14 of the Act authorized to transmit electricity;

“User” means the Generating Companies, Distribution licensees, Bulk consumers (SEZ), sellers and Intra-State transmission licensees, Demand Response Consumers, Qualified Coordinating Agency (QCA), or any other such existing (or envisaged in future) entity who use the Intra-State transmission network or the associated facilities and services of State Load Dispatch Centre;

“Wheeling” means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under Section 62 by the Commission;

“Year” means a financial year;

The words and expressions used in these Regulations and not defined here in but defined in the Act or the other UPERC Regulations shall have meaning assigned to

them under the Act and the other UPERC Regulations.

These Regulations are made in English & translated into Hindi. In case of dispute, English version shall prevail.

CHAPTER- 2

GENERAL

3 State Load Despatch Centre: The State Load Despatch Centre shall be the Centre established by the State Government to be operated by a Government company or any Authority or Corporation established or constituted by or under the State Act provided that until the State Government notifies so, the State Transmission Utility shall operate State Load Despatch Centre and shall be the apex body to ensure integrated operation of the power system in the State.

4 Functions of SLDC:

4.1 The State Load Despatch Centre shall be responsible for: -

- i) Scheduling and Despatch of electricity;
- ii) carrying out real time operation for control of Grid and Despatch of electricity;
- iii) exercise, supervision and control over the Intra-State transmission system;
- iv) monitor Grid Operations;
- v) keep account of the electricity transmitted through the Grid.

4.2 In discharge of functions, the State Load Despatch Centre shall be guided by the contracts entered into with the Licensees or Consumers and Generating companies or between Licensees or between Licensees and Consumers, Grid standards specified by the UPERC, Grid Code specified by the Central Commission and U.P. Electricity Grid Code.

5 Obligations of State Load Despatch Centre: The State Load Despatch Centre shall -

- i) comply with the directions of the Regional Load Despatch Centre;
- ii) ensure that the directions issued by the Regional Load Despatch Centre to any Transmission Licensee or State Transmission Utility or other Licensee of the State or Generating Company or Sub- stations in the State are duly complied with;

- iii) comply with the provisions of 'Open Access Regulation' specified by the Commission;
- iv) Shall not engage in the business of trading in electricity.

6 Duties of State Load Despatch Centre: In discharge of functions, obligations and duties, the State Load Despatch Centre shall be guided by the provisions of the Act, principles and methodologies in respect of wheeling and scheduling and despatch etc. as the Uttar Pradesh Electricity Regulatory Commission has specified in Uttar Pradesh Electricity Grid Code (UPEGC); 'Open Access' Regulations, 'Terms and Conditions of Generation Tariff' Regulations, 'Procedure, terms and conditions for grant of Trading License and other related matters' Regulations and any other rules, Regulation and practice direction specified or to be specified by the Commission.

The State Load Despatch Centre shall -

- i) prepare schedule of generation and draws from the Central Generating Stations, State Generating Stations or from other sources of availability of power and for that purpose formulate detailed procedure of scheduling within one-month time of the date of publication of this Regulation in the Official Gazette.;
- ii) collect and maintain data of grid operation and transfer of electricity through the power system and for those purpose frame guidelines for the generating companies and licensees connected in the grid and to ensure transmission of required data to the concerned agencies as required under the Act;
- iii) prepare energy account including Deviation Settlement Mechanism (DSM) account and develop a scheme for preparation of the same within one month of the date of publication of this Regulation;
- iv) prepare bill of electricity under DSM and the procedure for preparation of the same specifying therein the period of bill, mode of payment, time of payment, surcharge for delayed payment and penalty for non-payment of bills;
- v) perform such duties as specified by the Commission in any other Regulation or otherwise.

7 Users Specification

Users for the purpose of these Regulations shall be as per the definition of “Users” provided under these Regulations who register themselves with SLDC by paying a fee as defined under these Regulations.

Chapter 3

ARR/TRUE-UP AND FEES AND CHARGES

8 Procedure for filing Annual Revenue Requirement (ARR) & True Up:

8.1 The State Load Despatch Centre (SLDC) shall file a Petition for determination of Annual Revenue Requirement, True-Up & Revenue (Fees & charges) in accordance with the procedure laid down in UPERC (Conduct of Business) Regulation, 2004 & its subsequent Addendum & Amendments;

Provided that such an application for a financial year shall be filed by 30th November of the preceding year along with the required fees;

Provided that until the time the first Tariff Order is issued by the Commission under these Regulations, the rates provided in Annexure-I shall prevail.

8.2 Provided that till the segregation of business by the Transmission Licensee into Transmission Business and SLDC activity, the SLDC expense & revenue will be considered under the Transmission ARR/Tariff filings approved under the specified Regulations for the same.

Provided that after complete segregation of accounts between Transmission Business and SLDC activity, SLDC will be governed by these Regulations;

8.3 The annual LDC charges (ALC) as approved by the Commission shall be recovered on monthly basis;

8.4 The Commission may require further information from State Load Despatch Centre to assess the Annual Revenue Requirement and once the Commission is satisfied with the content of Petition, the Petition shall be admitted for further proceedings;

8.5 The Commission may cause the State Load Despatch Centre to implead Generating Companies and Licensees as necessary party in the said application and publish a notice in the newspaper inviting objections from the consumers and other interested parties

on the proposal of Annual Revenue Requirement filed by it before the Commission;

- 8.6** The Commission in determining the charges shall take into consideration the objections, if any, received from public at large & Stakeholders and issue a Tariff Order;
- 8.7** The Commission shall, within one hundred and twenty days from admittance, after considering all suggestions and objections received from the stakeholders and public at large:
- (a) Issue an Order accepting the Petition with such modifications or such conditions as may be specified in that Order; or
 - (b) Reject the Petition for reasons to be recorded in writing if such Petition is not in accordance with the provisions of the Act and the Rules and Regulations made there under or any other provisions of law, after giving the Petitioner a reasonable opportunity of being heard.
- 8.8** The Petitioner shall publish the Charges approved by the Commission in newspapers having wide circulation and shall upload the approved Charges on its internet website.
- 8.9** The charges so published shall be in force from the date stipulated in the Order and shall, unless amended or revised, continue to be in force for such period as may be stipulated therein.
- 8.10** The Annual LDC charges shall consist of the following components:
- (a) Operation & Maintenance Expenses;
 - (b) Depreciation;
 - (c) Interest on Loan Capital;
 - (d) Interest on Working Capital;
 - (e) Return on Equity Capital;
 - (f) Income Tax;
- Minus;**
- (g) Income from Open Access charges
 - (h) Non-Tariff Income

9 Petitions to be filed in the Control Period

- 9.1** The Petitions to be filed in the Control Period under these Regulations will comprise of the following:

Filing date	True- Up	APR	ARR / Tariff
15.10.2020	Business Plan for FY 2021-22 to FY 2024-25		
30.11.2020			FY 2021-22
30.11.2021		FY 2021-22	FY 2022-23
30.11.2022	FY 2021-22	FY 2022-23	FY 2023-24
30.11.2023	FY 2022-23	FY 2023-24	FY 2024-25

9.2 The SLDC shall submit the data regarding the above as per Guidelines and Formats prescribed and added/ amended from time to time by the Commission.

10 Business Plan and ARR Petition

10.1 The SLDC shall file a Business Plan by 15.10.2020, duly authorized by the Board of Directors or by any Committee / person authorized by the Board in this regard, for the Control Period of five Financial Years, i.e., from April 01, 2021 to March 31, 2026, which shall comprise but not be limited to Capital Investment Plan including phasing of expenditure and funding of pattern, Estimated budget for the control period, manpower planning for the Control Period in accordance with Guidelines and Formats as may be prescribed by the Commission accompanied with applicable fees. Above requirement of the Commission does not exclude its right to seek any other information in this regard, as deemed necessary.

11 True-Up

11.1 The SLDC shall file timely Petition for True-Up:

Provided that the Petition shall include 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, etc., as per the Guidelines and Formats as may be prescribed by the Commission.

11.2 The Commission shall carry out Truing-Up exercise of expenses and revenue which shall be based on approved and actual expenses, revenue, etc., based on prudence check of Accounting Statements of the SLDC for the Financial Year.

12 Capital Cost

- 12.1** Cost of assets shall be determined based on capital expenditure actually incurred as on the date of putting the asset in commercial use subject to prudence check by the Commission. The cost estimates scrutiny shall be limited to reasonableness of capital cost, financing plans, purpose of use and efficient technology. In case of existing assets, net fixed assets as on April 1st of the financial year where determination of ARR is done shall be taken for the purpose of determination of charges.
- 12.2** Assets cost shall be divided into normative debt and equity 70:30 for determination of charges irrespective of actual debt and equity employed. In case, equity is less than 30%, the actual debt and equity shall be considered for determination of charges.

13 Operation and Maintenance Expenses

- 13.1** Operation and Maintenance (O&M) expenses shall be derived preferably from the audited balance sheet. (In case the data is not available, the same will be based on allocation done by UPPTCL for the respective years.) Further the Commission may consider normalising these values based on data of other States SLDCs. The O&M expenses shall be normalized by excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission.
- 13.2** The normalised O&M expenses shall be derived by considering the average of last five (5) financial years (without efficiency gain/loss) ending March 31, 2020 subject to prudence check by the Commission.
- 13.3** The average of such Operation & Maintenance expenses shall be considered as Operation & Maintenance Expenses for the Middle year and shall be escalated year on year with the escalation factor considering CPI and WPI of respective years in the ratio of 60:40, for subsequent years up to FY 2020-21.
- 13.4** The One-time expenses such as expense due to change in accounting policy, wage arrears paid due to Pay Commissions, etc., and the expenses beyond the control of the SLDC Business such as dearness allowance, terminal benefits, etc., in Employee cost, may be allowed by the Commission over and above normative Operation & Maintenance Expenses after prudence check.

13.5 At the time of Truing-up of the O&M expenses, the actual point to point inflation over Wholesale Price Index numbers as per Office of Economic Advisor of Government of India and the actual Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, in the concerned year shall be considered.

Provided that Additional O&M expenses, if any, due to enlargement of scope/activities of SLDC may be considered by the Commission based on separate submissions made by SLDC to the satisfaction of the Commission.

13.6 The SLDC may undertake Opex scheme for system automation, new technology and IT implementation, etc., and, such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission.

Provided that the SLDC shall submit the detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any.

13.7 Employee Cost

Employee cost shall be computed as per the following formula escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Licensee and one-time expected expenses, such as recovery / adjustment of terminal benefits, implications of Pay Commission, arrears, Interim Relief, etc.,

$$\mathbf{EMP_n = EMP_{n-1} (1+ CPI\ inflation)}$$

Where:

EMP_n: Employee expense for the nth year;

EMP_{n-1}: Employee expense for the (n-1)th year;

CPI inflation is the average of Consumer Price Index (CPI) for immediately preceding three Financial Years.

13.8 Repairs and Maintenance Expense

Repair and Maintenance expense shall be calculated as per the following formula:

$$\mathbf{R\&M_n = R\&M_{n-1} (1+ WPI\ inflation)}$$

Where:

R&M_n: Repairs & Maintenance expense for nth year;

R&M_{n-1}: Repairs & Maintenance expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding

three Financial Years.

13.9 Administrative and General Expenses

A&G expense shall be computed as per the following formula escalated by the Wholesale Price Index (WPI) and adjusted by provisions for confirmed initiatives (IT, etc., initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses:

$$\mathbf{A\&G_n = A\&G_{n-1} (1 + WPI \text{ inflation})}$$

Where:

A&G_n: A&G expense for the nth year;

A&G_{n-1}: A&G expense for the (n-1)th year;

WPI inflation is the average of Wholesale Price Index (WPI) for immediately preceding three Financial Years:

Provided that the Statutory & Legal expenses and Interest and Finance charges such as Credit rating charges, collection facilitation charges and other finance charges shall also be a part of A&G Expenses.

Illustration: For FY 2020-21, (n-1)th year will be FY 2019-20 which is also the base year.

14 Depreciation

14.1 The value for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission;

14.2 The salvage value of the asset shall be considered as 10% of the allowable capital cost and depreciation shall be allowed up to maximum of 90% of the allowable capital cost of the asset.

14.3 Land shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the capital cost of the asset;

14.4 Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-II to these Regulations for the assets of the SLDC;

Provided that the SLDC shall ensure that once the individual asset is depreciated to the extent of seventy percent, remaining depreciable value as on 31st March of the year closing shall be spread over the balance Useful Life of the asset including the Extended

Life, as per submission of the SLDC and approved by the Commission.

- 14.5** Assets fully depreciated shall be shown separately;
- 14.6** Value of the assets not in use or declared obsolete shall be taken out from the capital cost for the purpose of calculation of depreciation;
- 14.7** The balance depreciable value as on 1st April of the financial year when determination of ARR is done shall be worked out by deducting the cumulative depreciation from the gross depreciable value of the assets appearing in the books of accounts.
- 14.8** In case of existing assets, the balance depreciable value shall be worked out taking into consideration the life of the asset, and by deducting the cumulative Depreciation as admitted by the Commission from the gross depreciable value of the assets.
- 14.9** Depreciation shall be re-computed for assets capitalised at the time of Truing-Up, based on Audited Accounts and documentary evidence of assets capitalised by the Petitioner, subject to the prudence check of the Commission.

15 Interest on Loan Capital

- 15.1** The loan determined in accordance with Regulation 12 shall be considered as gross normative loan for calculation of interest on loan;
- 15.2** The repayment during each year of the Control Period from FY 2020-21 to FY 2024-25 shall be deemed to be equal to the Depreciation allowed for that year. Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the asset and shall be equal to the annual Depreciation allowed;
- 15.3** The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual long-term loan portfolio at the beginning of each year applicable to the State Load Despatch Centre;

Provided that at the time of Truing- Up, the weighted average rate of interest of the actual long- term loan portfolio during the concerned year shall be considered as the rate of interest;

Provided that if there is no actual long-term loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for actual loan shall be considered.

15.4 The interest on loan shall be calculated on the Normative Average long-term loan of the year by applying the Weighted Average rate of interest;

Provided that at the time of Truing-Up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

16 Interest on Working Capital

16.1 The working capital shall cover:

- i) Operation and maintenance expenses for one month;
- ii) Receivables equivalent to 45 days of annual LDC charges as approved by the Commission.

Provided further that for the purpose of Truing- Up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing- Up;

16.2 Rate of interest on working capital shall be simple interest and shall be equal to the SBI MCLR (1 Year) on October 01, of the financial year when determination of ARR is filed as stipulated in the Regulations plus 250 basis points;

Provided that for the purpose of Truing- Up for any year, simple interest on working capital shall be allowed at a rate equal to the weighted average SBI MCLR (1 Year) prevailing during the concerned Year plus 250 basis points.

17 Return on Equity

17.1 Return on equity shall be computed in Rs. terms on equity base at the rate of 12.50% post-tax per annum for the SLDC as determined in accordance with Regulation 12;

18 Income Tax

18.1 Income Tax, if any, of SLDC shall be treated as expense and shall be recoverable from consumers through Fee and charges. However, tax on any income other than that through its operations shall not be a pass through, and it shall be payable by the SLDC

itself.

18.2 Notwithstanding anything contained in above Regulation, total Income Tax payable by the SLDC, in any year, shall be lowest of the following:

(a) Actual payment made; or

(b) ROE allowed in that year x MAT (%) or ROE allowed in that year x corporate tax (%), whichever is applicable.

18.3 Any Other recoveries or over recoveries of Tax on income shall be adjusted every year on the basis of Income Tax assessment under the Income Tax Act 1961, subject to above Regulation, as certified by the Statutory Auditors.

19 Non-Tariff Income

19.1 The amount of Non-Tariff Income relating to the SLDC Business as approved by the Commission shall be deducted from the ARR in determining the Fees and Charges of SLDC;

Provided that the SLDC shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

The Non-Tariff Income shall include:

- a) Income from rent of land or buildings;
- b) Income from sale of scrap;
- c) Income from investments;
- d) Interest income on advances to suppliers/contractors;
- e) Interest income on loans / advances to employees;
- f) Income from rental from staff quarters;
- g) Income from rental from contractors;
- h) Income from hire charges from contractors and others;
- i) Supervision charges for capital works;
- j) Income from advertisements;
- k) Income from sale of tender documents;
- l) Prior Period Income;
- m) Miscellaneous receipts; and
- n) Any other Non-Tariff Income.

Provided that the interest earned from investments made out of Return on Equity corresponding to the SLDC Business shall not be included in Non-Tariff Income.

Provided that the Income earned by the SLDC from Open Access Charges shall be deducted from the ARR in determining Annual LDC Charges.

20 Fee and Charges payable to State Load Despatch Centre

20.1 The Generating companies, Distribution Licensees, Intra-State Transmission Licensees, Inter/Intra State generating companies connected with Intra-State Transmission power system of the State shall pay a fee to State Load Despatch Centre for the duties, like scheduling and revision of schedules, preparation of energy account, billing and data collection, to be rendered by it.

Provided that the existing “Users” (deemed registered) who are already availing the services of SLDC like Scheduling and Despatch of electricity, Energy Accounting etc. shall also have to provide registration fees for one time and all relevant documents required for registration.

20.2 The Registration fee shall be paid as shown in the table below: -

Table 1: Registration Fees for different users:

Nature of Fee		Amount (Rs. Lakhs)
Registration Fees		
A	Distribution Companies	10.00
B	Intra State Transmission Licensees	10.00
C	For Generating Companies	
(i)	Having Capacity upto 10 MW	0.50
(ii)	Having Capacity more than 10 MW and upto 100 MW	1.00
(iii)	Having installed capacity of more than 100 MW and above	10.00
D	All Others including Inter-State Short-Term transactions	0.10

20.3 Application Fee

The Application from the Open Access Customers shall be as provided in the table below:

Table 2: Application Fees applicable for Users

S. No.	Nature of Fee	Amount (Rs.)
Application Fees		
1	Short Term Open Access Fee (Intra State Application/concurrence fee for Inter State)	0.05 Lakh

S. No.	Nature of Fee	Amount (Rs.)
2	Operating Charges	Rs. 1000/day

The Operating Charges at the rate of Rs. 1000/- per day or part of the day for each Short-term bilateral transaction/collective transaction for the State Load Despatch Centre shall be payable by the applicant.

Provided that the fee of bilateral transactions on the day of the application or on the day immediately following the day of the application may be deposited within three working days of submission of the application.

21 Monthly LDC Charges:

21.1 The LDC charges to be taken from the following entities who want to get the scheduling done:

- a) Distribution Utilities for the capacities;
- b) Bulk consumers (SEZ) for the capacities not covered under a);
- c) Generating companies for capacities not covered under a) & b);

These charges to be determined and billed monthly based on the capacities in MW/Month upto two decimal places, however if the same is not possible because of availability of reliable data the same may be done based on units in MUs/Month upto two decimal places.

21.2 Monthly LDC charges shall be collected in proportion to the sum of their capacities as on the last day of the month prior to billing of the month;

All other Long Term and Medium Term Open Access Users not covered in 21.1 above shall be billed monthly charge on the basis of a minimum capacity for which an entity is eligible for grant of connectivity to Intra-State transmission system as per the UPERC (Grant of Connectivity to Intra State Transmission System) Regulations, 2010.

CHAPTER-4

BILLING AND OTHER MISCELLANEOUS PROVISIONS

22 Billing and Payment

- 22.1** The State Load Despatch Centre shall raise bill, based on annual LDC Charges as provided in Regulation 8.3 on the basis of energy account finalized by it for a month, to be presented by seventh day of next month. Bill shall be paid within seven days from the days of presentation of bill.
- 22.2** For payment of bills of LDC charges through Letter of Credit or through NEFT / RTGS or otherwise, within 7 days of presentation of bills by the SLDC, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed.
- 22.3** In case the payment of any bills for LDC charges payable under these Regulations is delayed by the user beyond a period of 30 days from the date of presentation of bills a late payment surcharge at the rate of 1.25% per month shall be levied by the SLDC.

23 Accounts of the State Load Despatch Centre;

- 23.1** The State Load Despatch Centre shall keep such accounting records and prepare accounting statement certified by Auditors as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, expenditure, reserves and provisions of, or reasonably attributable to Load despatch activities could be verified.

24 Non-compliance of directions:

- 24.1** State Load Despatch Centre may give such directions and exercise such supervision and control as may be required for ensuring integrated operation of the power system for achieving maximum economy and efficiency and every licensee, generating company, sub-station and any other person connected with the operation of the power system shall comply with such directions.
- 24.2** If any licensee, generating company or any other person fails to comply with the directions issued, shall be liable to a penalty not exceeding Rs. 5 lacs.

25 Resolution of Dispute:

If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the State grid or in relation to any direction, payment or billing shall be referred

to the Commission for adjudication.

Provided that pending the decision of the Commission, the licensee or generating company shall comply with the direction of State Load Despatch Centre.

26 Savings:

26.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice.

26.2 Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters.

26.3 Nothing in these Regulations shall, expressly or implied, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner, as it considers just and appropriate.

27 Power to remove difficulties:

If any difficulties arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special Order, give directions, not inconsistent with the provisions of the Act, as may appears to be necessary or expedient for the purpose of removing the difficulties.

28 Power to Amend

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

By the Order of The Commission
Secretary

Annexure-1: Operating Charges-:

S. No.	Nature of Fee		Amount (Rs. Lakhs)
1	A	For agreements of term five years or more	1.00 per annum
	B	For agreements having term more than three months but less than five year	0.75 per annum
	C	For agreements having term less than or equal to three month	0.50 per month
	D	Captive Power Plant carrying electricity to the destination of its own use	1.00 per annum
2	Operating charges (Inter-State Application) -For Users for per day or part of the day for each bilateral transaction/collective transaction will be same as provided in Regulation 20.3		

Annexure II: Depreciation Schedule

S. No	Asset Particular	Depreciation Rate
A	Land under full ownership	0.00%
B	Land under lease	
(a)	for investment in land	3.34%
(b)	For cost of clearing the site	3.34%
C	Other Assets	
A	Building & Civil Engineering works	
(i)	Offices and residential	3.34%
(ii)	Containing plant and equipment	3.34%
(iii)	Temporary erections such as wooden structures	100.00%
(iv)	Roads other than Kutcha roads	3.34%
(v)	Others	3.34%
B	Transformers, Kiosk, sub-station equipment & other fixed apparatus (including plant foundation)	
(i)	Transformers including foundation shaving rating of 100 KVA and over	5.28%
(ii)	Others	5.28%
C	Solar Panel/Wind Mill	5.28%
D	Lightning arrestor	
(i)	Station type	5.28%
(ii)	Pole type	5.28%
(iii)	Synchronous condenser	5.28%
E	Batteries	15.00%
(i)	Underground cable including joint boxes and disconnected boxes	5.28%
(ii)	Cable duct system	3.34%
F	Overhead lines including cable support systems	
(i)	Lines on fabricated steel operating at terminal voltages higher than 66 kV	3.34%
(ii)	Lines on steel supports operating at terminal voltages higher than 13.2 kV but not exceeding 66 kV	5.28%
(iii)	Lines on steel on reinforced concrete support	5.28%
(iv)	Lines on treated wood support	5.28%

S. No	Asset Particular	Depreciation Rate
G	Meters	5.28%
H	Self- propelled Vehicles	9.50%
I	Air Conditioning Plants	
(i)	Static	5.28%
(ii)	Portable	9.50%
J(i)	Office furniture and furnishing	6.33%
(ii)	Office equipment	6.33%
(iii)	Internal wiring including fittings and apparatus	6.33%
(iv)	Street Light fittings	5.28%
K	Apparatus let on hire	
(i)	Other than motors	9.50%
(ii)	Motors	6.33%
L	Communication equipment	
(i)	Radio and high frequency carrier system	6.33%
(ii)	Telephone lines and telephones	6.33%
M	I.T Equipment	15.00%
N	Software	15.00%
O	Any other assets not covered above	5.28%

Note: The depreciation rates of assets not been covered in the above table, will be determined by the Commission in its Order.