

Before the  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**

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Case No. 117 of 2008

In the matter of  
**Petition filed by MSETCL for approval of MSLDC Budget for FY 2009-10.**

Shri V.P. Raja, Chairman

Shri A. Velayutham, Member

Shri S.B. Kulkarni, Member

**ORDER**

**Dated: April 29, 2009**

In accordance with the first proviso to Section 31(2) of the Electricity Act, 2003 (“EA 2003”), the Maharashtra State Electricity Transmission Company Limited (MSETCL) which is the State Transmission Utility (“STU”), operates the Maharashtra State Load Despatch Centre (MSLDC). MSETCL, in the capacity of STU, filed a Petition on November 26, 2008, seeking the Commission’s approval for the budget of costs of operation of the MSLDC for the FY 2009-10 as required under Regulation 18.1 of the MERC (Transmission Open Access) Regulations, 2005. The prayers made in the Petition are, as under: -

“

- a) Consider and approve the Budget of cost of Operation of the State Load Dispatch centre for the Financial Year 2009-10
- b) Approve the MSLDC Fees & charges as deemed appropriate.
- c) Approve the draft principles for Levy of MSLDC Fees and Charges.
- d) Approve the non-refundable application processing fee for Intra-State STOA as Rs. 5000 / - per application.
- e) Approve scheduling charges as Rs. 1000 /- per day for Intra-State STOA.
- f) Approve delayed payment charges for MSLDC fees and operating charges at the rate equal to SBI PLR+4% as prescribed by the commission in case no 42 of 2007 on intra state ABT order.”



2. The Commission scheduled a Technical Validation Session (TVS) at the office of the Commission on January 19, 2009. During the TVS, the Commission made the following observations and also sought additional information and identified data gaps that were required to be addressed for further processing of the Petition.

- a) The Commission observed that while submitting the Petition for approval of budget for FY 2009-10, MSLDC should take into consideration the recommendations of the “Pradhan Committee Report”. MSLDC should also make a statement to the effect that the impact of Pradhan Committee’s recommendations has been included in the MSLDC budget for FY 2009-10.
- b) As regards the employee expenses, the Commission suggested that MSLDC may consider incorporation of the recommendations of the Sixth Pay Commission, as appropriate, for MSLDC, while projecting the employee expenses for FY 2009-10. At the same time, the status of the Wage Agreement with the employees, and its impact on improved operational efficiency, should also be taken into consideration.
- c) The Commission observed that MSLDC should review the existing organisational structure and the kind of manpower required, as well as its personnel policies, promotional policies and incentive structures so that appropriate career growth opportunities are available for employees, while at the same time ensuring functional and financial autonomy.
- d) The Commission directed MSLDC to submit the detailed (Para-wise) compliance of the directives given in the Commission’s Order approving the Budget for FY 2008-09.
- e) The Commission directed MSLDC to undertake a comparative analysis of its budget vis-à-vis RLDC budget and also directed that, the reasons for SLDC budget being higher than the RLDC budget, should be identified clearly.
- f) The Commission directed MSLDC to develop a mechanism for certifying the availability of the transmission system of individual transmission licensees, which should include the details of available transmission capacity (ATC), and should be posted on MSLDC’s website. Also, information on outages containing the detailed description of nature of outage and start and finish time of outage should be posted on website separately for all voltage levels.
- g) The Commission directed MSLDC to provide statistical information about Bilateral and Open-Access consumers and also about the details of the types of consumers who have applied for Open Access (OA) and how many OA transactions at consumer level have been undertaken.
- h) The Commission directed MSLDC to segregate its accounts from that of MSETCL and maintain a separate Balance Sheet for MSLDC, and also to check whether the Accounting Standards pertaining to segment-wise accounts can be utilised to provide greater details of MSLDC operations and finances.
- i) The Commission observed that the entire amount of excess in recovery of its fees and charges, i.e., the over-recovery by MSLDC in FY 2007-08 and estimated over-recovery in FY 2008-09 should be considered under truing up and provisional truing up, respectively, and be adjusted against the revenue requirement towards the budget for FY 2009-10.
- j) MSLDC should submit the Allocation Statement for expenses as well as Asset Base in respect of Transmission function and Load Despatch related activities, to the Commission. In



response, MSLDC submitted a self-certified copy of the Allocation Statement of expenses as well as Asset Base duly signed by Dy. Manager (F&A) MSLDC, Kalwa in respect of Transmission function and Load Despatch related activities.

- k) MSLDC should submit the details of actual Capital Expenditure (CAPEX) incurred, capitalisation during FY 2008-09. MSLDC should also elaborate on the nature of infrastructure development and various components to be covered under such infrastructure development. It should also submit a brief note on the expected benefits and rationale for such infrastructure development. Further, it was observed that the CAPEX projected for FY 2008-09 and FY 2009-10 tallies exactly with the projected capitalisation during the year, which suggests that the schemes are expected to be initiated and completed during the same year. Considering the nature of CAPEX schemes for infrastructure development, MSLDC may modify capitalisation and CAPEX in accordance with appropriate timelines.
- l) MSLDC should confirm whether the cost of operations related to Mumbai area have been included under its budget estimate for FY 2009-10, and if the same has been considered for FY 2009-10, MSLDC should clarify whether the share of TPC expenditure has been included, or MSLDC's own cost has only been considered. Further, MSLDC should confirm whether six employees have been considered to be added in FY 2009-10 on account of undertaking load despatch activities for sub-SLDC Mumbai.
- m) MSLDC should submit the causes of the slippage from the previously committed schedule for implementation of Final Balancing & Settlement Mechanism (FBSM), a Note on various performance parameters like Merit Order Despatch operations undertaken during supply surplus scenario, instances of EHV operation and Under-frequency relay (UFR) operation during FY 2008-09, and grid operations, which were submitted by MSLDC as Annexures to the revised Petition.

3. Subsequently, MSLDC submitted a revised Petition on February 16, 2009 for approval of SLDC Budget for FY 2009-10, after addressing the observations made during the TVS and furnished additional information in response to data gaps identified.

4. The Commission scheduled a public hearing on MSLDC's Petition on March 23, 2009, in the presence of Consumer Representatives authorized on a standing basis under Section 94(3) of the EA 2003 to represent the interest of consumers in the proceedings before the Commission. During the public hearing, MSLDC, which is currently being operated by MSETCL (the STU), presented its case for approval of the Budget of costs of operation for FY 2009-10 as required under Regulation 18.1 of the MERC (Transmission Open Access) Regulations, 2005. None of the distribution licensees or generating company were present during the said public hearing, and only one authorized Consumer Representative, viz., Dr. S.L. Patil, of Thane Belapur Industries Association, was present. His submissions, in brief, are as follows -

- a) Dr Patil submitted that MSLDC should submit the comparison of A&G expenses and Employee Expenses for the last three years in its Petition, and a comparison of overall development of the organisation and performance of the employees' vis-à-vis employee



expenses. He further submitted that during truing up for FY 2007-08, the effect of uncontrollable and controllable factors of expenses should be taken into account.

- b) He further submitted that the demand-supply gap projected by MSLDC should be more realistic, based on ground realities and the load shedding protocol should be strictly adhered to.

5. In this context, the Commission observed that the Distribution Licensee should not earn revenue by undertaking load shedding for certain categories and by providing relief to other categories and therefore, load shedding should be relaxed according to the availability of power and in accordance with the approved load shedding protocol. MSLDC should host information on earnings through UI, amount of extra power available with the MSEDCL and rate of power purchase on its website. MSLDC submitted that load shedding is dynamic in nature and the decision to increase/decrease the number of hours of load shedding is made by the Distribution Licensee.

6. During the Public Hearing, the Commission's Regulatory Expert, Shri. Ajit Pandit, enquired about the status of commissioning of the Balancing & Settlement Mechanism (BSM) software, action plan developed by MSLDC, and schedule for commencement. MSLDC submitted that Balancing & Settlement Code and the FBSM software is under advanced stage of finalisation. MSLDC submitted that pilot operations based on FBSM could be undertaken from May/June 2009 onwards, as metered data on 15-minute basis for all interface points over the Intra-State Transmission System (InSTS), including Mumbai operations is expected to be available from Apr/May 2009 onwards. Accordingly, MSLDC submitted that the commercial operations of FBSM could be put in place from September 2009 onwards after pilot operation of three to four months. MSLDC, however, expressed some difficulties in seeking approval from the Maharashtra State Power Committee (MSPC) on Balancing & Settlement Code due to one or two issues being unresolved, such as centralised merit order despatch, revision in bilateral schedule, etc. The Commission observed that Balancing & Settlement Code and FBSM software thereof, will have to be strictly based on principles/guidelines outlined under Intra-State ABT Order in Case No. 42 of 2006. Any deviation from the principles outlined therein will have to be addressed through a separate regulatory process, if necessary. The Commission directed MSLDC to prepare the Final Balancing & Settlement Code (FBSM Code) and submit the same to the Commission after seeking comments from MSPC at the earliest. Shri. Pandit also enquired about the status of Protocol Document for verification and certification of Generation Availability and Transmission Availability to be carried out by MSLDC. The Commission observed that the procedures to be followed by MSLDC for certification of Generation Availability and Transmission Availability should be verified by the Grid Coordination Committee (GCC) and the same should be submitted to the Commission for its reference.

7. The Commission enquired about the status of ring-fencing as suggested by Pradhan Committee Report. Shri Sethi, MD-MSETCL apprised the Commission about the status of compliance with the recommendations of Pradhan Committee on ring-fencing of SLDC.



8. The Commission has analysed the revised Petition of MSLDC for the purpose of approval of SLDC Budget for FY 2009-10. Accordingly, the Commission has proceeded to determine applicable SLDC Fees and Charges for FY 2009-10 as detailed in the subsequent paragraphs.

**A. Approval of Revenue Budget**

9. The Commission, in its Order for approval of MSLDC Budget for FY 2006-07 in Case No. 30 of 2005, has outlined the modalities for approval of SLDC Budget as well as principles for recovery of MSLDC Fees and Charges from the generating companies and licensees engaged in intra-State transmission of electricity. Accordingly, MSLDC Revenue Budget comprises of two parts, viz.,

- (i) **Part -A : MSLDC Operating Cost Budget**
- (ii) **Part -B : MSLDC Capital Charge Budget**

**Part – A: Operating Cost Budget**

10. MSLDC's Operating Cost Budget comprises expenses such as (i) Employee Expenses, (ii) Administration & General (A&G) Expenses, (iii) Repairs & Maintenance (R&M) Expenses, (iv) Interest on Working Capital, and (v) RLDC Fees and Charges.

(i) Employee Expenses

5. The details of employee related expenses actually incurred in FY 2007-08, revised estimates for FY 2008-09 and projections for FY 2009-10 as submitted by MSLDC are shown in the following Table:

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order Provisional True-up (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
Employee expenses	540.88	639.68	798.64	703.64	737.41	753.86

11. MSLDC submitted that the total employee expenses for FY 2007-08 was Rs. 639.68 lakh as against the Rs. 540.88 lakh approved by the Commission during provisional true-up in the previous SLDC Budget Order (Case No. 88 of 2007). However, the Proforma Accounts submitted by MSLDC indicates the actual employee expenditure as Rs. 522.62 Lakh. In reply to the Commission's query regarding the reconciliation of the difference between Rs 522.62 Lakh as actual employee expenditure duly certified and Rs 639.68 Lakh as claimed by MSLDC, MSLDC submitted that the total employee expenses of Rs. 639.68 Lakh submitted in the Petition has been arrived at by including provisioning



towards gratuity payment, estimated at Rs 219.43 Lakh based on actuarial assessment, whereas actual payment towards gratuity for FY 2007-08 is only Rs 58.74 Lakh. Further, employee expense of Rs 639.68 Lakh excludes arrears payment of Rs 40.69 Lakh due to wage revision, which has been accounted separately. Accordingly, for the final true-up exercise for FY 2007-08, the Commission has considered employee expenses of Rs. 522.62 Lakh for FY 2007-08 including actual gratuity payment of Rs 58.74 Lakh, instead of provisioning for gratuity (Rs 219.43 Lakh), payment of wage arrears of Rs 40.69 Lakh and difference due to reconciliation error of terminal benefits (Rs 2.94 Lakh) in line with the submissions of MSLDC under its duly certified Proforma Accounts.

12. MSLDC has projected employee expenses for FY 2008-09 and FY 2009-10 based on projected employee strength of 136 based on sanctioned manpower strength. MSLDC has further derived other employee related indirect costs such as DA, HRA, PF etc. as percentage of basic salary. However, MSLDC has clarified that expenditure on account of wage revision due from April 1, 2008 and LD allowance etc. has not been considered, pending approval from MSETCL. Other expense heads such as allowances, LTA, earned leave encashment, medical reimbursement etc. have been projected at escalation rate of 5% from that approved during FY 2007-08. Further, MSLDC has projected Terminal benefits including gratuity etc. based on number of employees likely to be retired during forthcoming period. In addition, MSLDC has also considered additional manpower costs for 6 personnel for set up of Sub-LDC at TPC-Trombay to cater to Mumbai area operations. Accordingly, MSLDC has projected employee expense of Rs 737.41 Lakh for FY 2008-09 and Rs 753.86 Lakh for FY 2009-10.

13. For projection of employee expense for FY 2008-09, the Commission has considered increase in various components of the approved employee expense for FY 2007-08 on account of inflation factor at the rate of 7.31% per annum. The inflation factor of 7.31% p.a. is based on Consumer Price Index (CPI). The Commission has considered the point to point inflation over CPI numbers for Industrial Workers (as per Labour Bureau, Government of India) for a period of 3 years, i.e., FY 2005-06 to FY 2007-08 to smoothen the inflation curve. In addition, the Commission has considered additional manpower cost of six employees towards undertaking Mumbai operations, as proposed by MSLDC. The Commission notes that Government of Maharashtra has already permitted MSLDC to set up sub-load despatch centre at TPC-Trombay to cater to Mumbai area operations. TPC-T, under its APR Petition has sought to allocate its Load Control Centre (TPC-LCC) related costs amongst generation, transmission and distribution businesses for FY 2008-09 and FY 2009-10. The Commission has separately dealt with the issue of ascertaining TPC-LCC related costs and its apportionment thereof, under respective APR Orders. Consequently, the Commission has excluded the apportionment of employee expense of TPC-LD to the extent of Rs. 66.00 Lakh as part of SLDC budget for FY 2008-09.

14. For FY 2009-10, the Commission has considered increase in various components on account of inflation factor at the rate of 7.31% per annum over approved employee expenses (after provisional true-up) for FY 2008-09. The summary of approved employee expenses is given in the Table below:



(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
Employee expenses	639.68	522.62	737.41	589.34	753.86	632.42

(ii) Administration and General Expenses

15. The details of A&G expenses actually incurred for FY 2007-08, revised estimates for FY 2008-09 and projections for FY 2009-10 as submitted by MSLDC are shown in the following Table:

(Rs. Lakh)

Particular	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order Provisional True-up (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
A&G expenses*	117.97	126.75	146.28	159.22	149.85	214.59

\*Excluding RLDC and WRPC charges

16. MSLDC submitted that the actual A&G expense incurred during FY 2007-08 amounts to Rs 364.75 Lakh, which includes RLDC and WRPC charges of Rs. 238.00 Lakh. During final truing-up, the Commission has considered RLDC and WRPC charges under separate component of operating cost budget in line with earlier practice. The Commission has considered the actual A&G expenses as submitted by MSLDC, as difference between approved and actual A&G expenses for FY 2007-08 is not very high.

17. For FY 2008-09, MSLDC submitted that it has assumed an increase in the A&G expense at a nominal rate of 5% per annum over FY 2007-08. The rate of increase considered is lower than the prevailing Consumer Price Index (CPI) for industrial workers in India, which is around 5.36%. For provisional truing-up, the Commission has considered inflationary impact of 6.04% per annum based on the increase in Wholesale Price Index (WPI) and Consumer Price Index (CPI). The Commission has considered the point to point inflation over WPI numbers (as per Office of Economic Advisor of Govt. of India) and CPI numbers for Industrial Workers (as per Labour Bureau, Government of India) for a period of 3 years, i.e., FY 2005-06 to FY 2007-08, to smoothen the inflation curve. The Commission has considered a weight of 60% to WPI and 40% to CPI, based on the expected relationship with the cost drivers.



18. For FY 2009-10, the Commission has considered increase in various components on account of inflation at the rate of 6.04% per annum over revised estimate of A&G expense (after provisional true-up) for FY 2008-09. The summary of approved A&G expenses is given in the Table below:

(Rs. Lakh)

Particular	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
A&G expenses**	126.75	126.75	149.85	134.41	214.59	142.52

\*\*Excluding RLDC and WRPC charges

(iii) Repairs and Maintenance Expenses

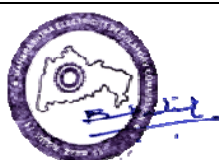
19. The details of R&M expenses actually incurred in FY 2007-08, revised estimates for FY 2008-09 and projection for FY 2009-10 as submitted by MSLDC are shown in the following Table:

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order Provisional True-up (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
R&M expenses	100.76	48.51	173.26	121.60	129.30	174.85

20. MSLDC submitted that the actual R&M expense incurred during FY 2007-08 as per audited accounts is Rs. 48.51 Lakh, which is significantly lower than the approved expense of Rs 100.76 Lakh. During final truing –up, the Commission has considered the actual R&M expenses as submitted by MSLDC.

21. For FY 2008-09, MSLDC submitted that the actual R&M expenses for the period from April 2008 to September 2008 is Rs. 32.85 Lakh and the estimated figure for the period from October 2008 to March 2009 is Rs 96.45 Lakh. The difference in two halves is due to civil R&M expenses for old SLDC building at Kalwa and civil works for fencing at Ambazari due to widening of National Highway in second half of FY 2008-09. In addition, MSLDC has submitted that R&M expense includes reconditioning of battery sets and chargers and rewiring of staff quarters. Accordingly, MSLDC has projected revised estimate for R&M expenses for FY 2008-09 as Rs 129.30 Lakh as against the approved figure of Rs 121.60 Lakh. For the purpose of provisional truing-up, the





Commission has considered the revised estimate of R&M expense for plant and machinery and civil works as submitted by MSLDC, and on the remaining components, the Commission has considered an inflationary impact of 5.19% per annum over FY 2007-08, based on the increase in Wholesale Price Index (WPI). The Commission has considered the point to point inflation over WPI numbers (as per Office of Economic Advisor of Govt. of India) for a period of 3 years, i.e., FY 2005-06 to FY 2007-08, to smoothen the inflation curve.

22. For FY 2009-10, MSLDC submitted that the R&M expenses are comparatively high under heads like civil works, office equipment furniture and fixtures due to civil works being carried out for renovation/repairs of MSLDC old building and staff quarters and rise in annual maintenance cost. For projecting R&M expenses FY 2009-10, the Commission has considered increase in various components on account of inflation at the rate of 5.19% per annum over revised estimate of R&M expense (approved after provisional true-up) for FY 2008-09. The summary of approved R&M expenses is given in the Table below:

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
R&M expenses	48.51	48.51	129.30	121.11	174.85	127.39

(iv) *Interest on Working Capital*

23. The normative Interest on Working Capital for FY 2007-08, revised estimates for FY 2008-09 and projection for FY 2009-10 as submitted by MSLDC is shown in the following Table:

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
Interest on Working Capital	30.44	40.06	41.60	38.05	39.50	48.55

24. MSLDC submitted that it has considered the methodology provided in MERC (Terms and Conditions of Tariff) Regulations, 2005 for calculation of Interest on Working Capital for calculating Interest on Working Capital. The Operating Cost Budget alone has been considered as per



Commission's directive in this regard in the MSLDC Budget Order (Case No. 30 of 2005) where it has been stated under Para 34 on Interest on Working Capital as follows:

*“Accordingly, receivables corresponding to operating cost budget only need to be accounted for”.*

MSLDC added that interest has been allowed at a rate equal to the Short Term Prime Lending Rate (PLR) of the State Bank of India (SBI) as at the date on which the application for determination of charges is made. However, MSLDC has considered interest rate of 12.75% for FY 2007-08 and 13% for FY 2008-09 and FY 2009-10 for computation of normative interest on working capital.

25. MSLDC submitted that the Interest on Working Capital for FY 2007-08 is Rs. 40.06 Lakh. The Commission notes that while methodology adopted for computation of working capital requirement is appropriate, the assumption of interest rate (SBI-PLR) for various years is not proper. The Commission has considered interest rate corresponding to SBI-PLR at 11.50% for FY 2007-08, 12.75% for FY 2008-09 and 13% for FY 2009-10. Further, interest on working capital would undergo change since O&M expenses, receivables etc. would vary from that projected by MSLDC. Therefore, the Commission has allowed Interest on Working Capital of Rs. 29.72 Lakh for FY 2007-08, Rs 37.90 Lakh for FY 2008-09 and Rs 39.96 Lakh for FY 2009-10, as summarised under following table..

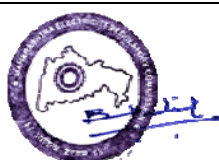
(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
Interest on Working Capital	40.06	29.72	39.50	37.90	48.55	39.96

(v) RLDC related charges

26. MSLDC has booked RLDC related charges of Rs. 238.00 Lakh (comprising RLDC charges and WRPC charges) under A&G expenses for FY 2007-08. However, as highlighted earlier, the Commission has considered RLDC related charges separately as part of operating cost budget, in line with earlier practice while approving operating cost budget of MSLDC. The Commission has verified MSLDC's claim of RLDC related charges for FY 2007-08 comprising share of RLDC fees/charges of Rs 230 Lakh and WRPC secretariat charges of Rs 8 Lakh, as per audited statements submitted by MSLDC.

27. Accordingly, the Commission approves RLDC related charges of Rs. 238.35 Lakh for FY 2008-09 and Rs. 240.07 Lakh as projected by MSLDC for FY 2009-10.



(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Approved	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
RLDC charges	238.00	238.00	238.35	238.35	240.07	240.07

**Part – B: MSLDC Capital Charge Budget**

28. MSLDC Capital Charge Budget comprises (i) Depreciation, (ii) Interest and Finance Charges, and (iii) Return on equity, and these components are linked to Gross Fixed Assets as well as capital expenditure proposed to be capitalized during the year.

29. MSLDC has submitted that it has incurred a capital expenditure of Rs. 22.00 Lakh during FY 2007-08, however, actual capitalisation during FY 2007-08 as per Form F 5 and Allocation Statement duly certified indicates total capitalisation of Rs 36.19 Lakh during FY 2007-08.

30. MSLDC has proposed total capital outlay of Rs 3436 Lakh over FY 2008-09 and FY 2009-10, which is significantly lower than the capital outlay of Rs 8107 Lakh proposed in the Petition filed in Case No. 88 of 2007. The revision has been attributed to the following factors:

- A. As per Commission's directives, the capital expenditure towards RTUs / DCs, estimated at Rs. 6300 Lakh is included in MSETCL's ARR and hence, excluded from MSLDC budget. However, the cost towards integration of RTUs/DCs in the existing SCADA system is included in MSLDC budget for FY 2008-09. Upon completion of tendering process, the cost of integration of RTUs/DCs and up-gradation of SCADA system comes to Rs. 650 Lakh, which has now been included in the Budget for FY 2009-10.
- B. Provision of Rs 2200 Lakh made for extension of existing Buildings at LD Centres over FY 2008-09 and FY 2009-10 is now revised to Rs.2070 Lakh, considering new building for SLDC at Kalwa and renovation & modernisation of existing building at Ambazari ALDC.
- C. Provision of Rs 120 Lakh made for development of BSM software has been revised to Rs. 240 Lakh on the basis of order issued by MSETCL corporate office after competitive bidding process.

31. Accordingly, the capital outlay for FY 2008-09 and FY 2009-10 has been projected as Rs 1020 Lakh and Rs 2416 lakh, respectively, mainly comprising infrastructure development cost of Rs 1963 Lakh and capital outlay of Rs 450 Lakh towards integration of real time data acquisition capability. In replies to data gaps sent before TVS by the Commission, MSLDC submitted the details of Capital Work in Progress (CWIP), capital expenditure incurred and Capitalisation during FY 2008-



09 and projections for FY 2009-10. It further submitted the infrastructural development plan elaborating the various components and nature of infrastructure development and the expected benefits. Further, considering the appropriate timelines and nature of CAPEX schemes for infrastructural development, MSLDC has submitted capital outlay of Rs. 1020 Lakh during FY 2008-09. However, under Form F5, MSLDC has proposed capitalisation of Rs 520 Lakh during FY 2008-09. Accordingly, the Commission has considered the capitalisation of Rs 520 Lakh as proposed by MSLDC.

32. For FY 2009-10, MSLDC under Form F 5 has proposed capitalisation of Rs 2916 Lakh mainly comprising capitalisation towards building and civil works as Rs 2070 Lakh. The Commission is yet to scrutinise and approve the DPR pertaining to infrastructure development. Besides, it is unlikely that the entire scheme of infrastructure development could be capitalised within one year. Hence, for FY 2009-10, the Commission has not considered any capitalisation towards building and civil works as proposed by MSLDC, however, capitalisation of other schemes amounting to Rs 846 Lakh as proposed by MSLDC has been considered.

(i) Depreciation

33. The details of depreciation expenses actually incurred for FY 2007-08, revised estimates for FY 2008-09 and projection for FY 2009-10 as submitted by MSLDC are shown in the following Table:

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
Depreciation	141.95	126.56	131.68	143.52	138.14	206.94
Opening GFA	5078.22	5056.22	5078.22	-	5092.41	5612.41

34. MSLDC submitted that during FY 2007-08, the depreciation of Rs. 126.56 Lakh on opening GFA of Rs. 5056.22 Lakh has been considered, which amounts to overall depreciation rate of 2.50%. Further, the Commission has considered asset addition of Rs 36.19 Lakh during FY 2007-08 as proposed by MSLDC. Consequently, opening GFA for FY 2008-09 amounts to Rs 5092.41 Lakh.

35. For FY 2008-09, the Depreciation has been estimated as Rs. 138.14 Lakh based on opening GFA of Rs 5092.41 Lakh, at overall depreciation rate of 2.71%. The Commission has considered the same for the purpose of provisional true-up for FY 2008-09. Further, MSLDC submitted that the GFA at the end of the year for FY 2008-09 is estimated to be Rs. 5612.41 Lakh including asset addition of Rs. 520.00 Lakh during FY 2008-09.



36. For FY 2009-10, MSLDC has projected depreciation of Rs. 206.94 Lakh, which amounts to overall depreciation rate of 3.69%. For estimating the budget for FY 2009-10, the Commission has considered the depreciation rate of 2.71% as considered for previous year on opening GFA of Rs 5612.41 Lakh for FY 2009-10. Thus, the Commission has approved overall depreciation of Rs. 152.24 Lakh for FY 2009-10.

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
Depreciation	126.56	126.56	138.14	138.14	206.94	152.24
Opening GFA	5056.22	5056.22	5092.41	5092.41	5612.41	5612.41

(ii) Interest on Debt

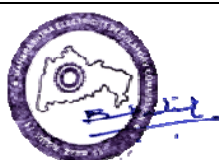
37. The interest expenses actually incurred in FY 2007-08, revised estimates for FY 2008-09 and projection for FY 2009-10 as submitted by MSLDC are shown in the following Table:

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
Interest on long term debts	95.85	95.85	197.33	197.33	135.96	268.25

38. The interest on the existing loans for MSLDC has been apportioned as Rs. 95.85 Lakh by MSETCL for FY 2007-08. In this final truing-up exercise for FY 2007-08, the Commission has considered the same as proposed by MSLDC in line with its Audited Accounts and Allocation Statements.

39. MSLDC submitted that the interest cost corresponding to new loans for new capitalised schemes has been computed in accordance with the guidelines specified by the Commission in its Order dated May 16, 2006, under Para 29. Accordingly, MSLDC proposed to consider interest costs based on normative debt-equity of 70:30 for the capital expenditure proposed during FY 2008-09 and FY 2009-10.



40. For FY 2008-09, MSLDC has calculated interest cost on new loans according to the revised CAPEX plan of Rs. 1020 Lakh. For calculation of interest, normative debt of 70% of the CAPEX and an interest rate of 11.00% equivalent to interest rate of Power Finance Corporation (PFC) as considered in APR of MSETCL for FY 2008-09, has been considered by MSLDC. Considering uniform spending of capital expenditure through the year, 50% of CAPEX has been considered for computation of interest and hence, the interest cost on the new loans for FY 2008-09 amounts to Rs. 135.96 Lakh. In this context, the Commission clarifies that the interest costs for revenue expenditure purposes should be computed only on the value of the capitalised assets, and the interest cost upto capitalisation should be treated as Interest During Construction (IDC) and should be capitalised along with the asset value.

41. Accordingly, for the provisional truing-up exercise, the Commission has considered capitalisation of Rs. 520.00 Lakh as submitted by MSLDC in its Petition and the interest expense corresponding to normative loan at debt:equity of 70:30 basis has been computed as Rs 22.67 Lakh in addition to the interest expense of Rs 96.69 Lakh apportioned by MSETCL towards existing loans.. Therefore, the Commission has approved Rs. 119.36 Lakh as Interest on Long Term Loans for FY 2008-09.

42. For FY 2009-10, MSLDC has considered CAPEX of Rs. 2416 Lakh and computed Rs. 268.25 Lakh as Interest on Long Term Loans. In line with earlier principles, the Commission has considered capitalisation of Rs. 846 Lakh for computing the interest expense and approved Rs. 169.67 Lakh as Interest on Long Term Loans comprising interest on new loans at Rs 72.98 Lakh and interest cost apportionment of Rs 96.69 Lakh from MSETCL towards existing loans.

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
Interest on long term debts	95.85	96.39	135.96	119.36	268.25	169.67

(iii) Return on Equity (RoE)

43. The return on equity for FY 2007-08, revised estimates for FY 2008-09 and projection for FY 2009-10 as submitted by MSLDC are shown in the following Table:



(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09			FY 2009-10
	MERC Order (Case No. 88 of 2007)	Actual	MSLDC Petition (as in Case No. 88 of 2007)	MERC Order (Case No. 88 of 2007)	MSLDC (Revised Estimate)	MSLDC (Petition)
Return on Equity	0.92	0.92	111.64	111.64	22.76	145.24

44. MSLDC has estimated Return on Equity for FY 2007-08 as Rs 0.92 Lakh. However, for the purpose of truing-up exercise, the Commission has considered the equity component at 30% of the asset addition of Rs. 36.19 Lakh during the year and computed return on equity at the rate of 14%, which amounts to Rs 0.76 Lakh for FY 2007-08.

45. For FY 2008-09, MSLDC has projected return on equity of 14% on the equity contribution of 30% of assets capitalised as per the MERC (Terms and Conditions of Tariff) Regulations 2005. MSLDC submitted its revised estimate of RoE at Rs. 22.76 Lakh for FY 2008-09. The Commission has considered 14% RoE on the opening equity as well as on 50% of the equity contribution of 30% of the asset addition of Rs. 520.00 Lakh during the year, totalling to Rs. 12.44 Lakh.

46. MSLDC submitted that the equity contribution for FY 2009-10 is Rs 724.80 Lakh (i.e. 30% of the total capital outlay of Rs. 2416.00 Lakh) and RoE at 14% amounts to Rs 145.23 Lakh. The Commission has considered asset addition of Rs. 846.00 Lakh and approved RoE as Rs. 41.13 Lakh for FY 2009-10.

(Rs. Lakh)

Particulars	FY 2007-08		FY 2008-09		FY 2009-10	
	Final Truing-up		Provisional Truing-up		Budget	
	MSLDC (Actual)	Allowed after Truing-up	MSLDC (Revised estimate)	Approved	MSLDC (Petition)	Approved
Return on Equity	0.92	0.76	22.76	12.44	145.24	41.13

**Part- C: Final True-up for FY 2007-08**

47. MSLDC has not incurred any significant capital expenditure during FY 2007-08 (actual CAPEX of Rs. 22 Lakh during FY 2007-08) as against the projected expense of Rs 2505 Lakh at the time of MSLDC Budget approval for FY 2007-08 in Case 77 of 2008. Further, MSLDC has not incurred other expenses such as R&M expenses as approved under operating cost budget for FY 2007-08. Hence, there is significant over-recovery of SLDC Fees & Charges particularly on account



of reduction in capital budget charge related components such as interest expense and RoE. Since, the audited Proforma financial results along with Allocation Statements for FY 2007-08 are available, it is necessary that final true-up is undertaken on account of significant variation in actual expenditure and actual revenue for FY 2007-08 as against that projected while approving MSLDC Budget for FY 2007-08. Final true-up of expenses for FY 2007-08 is summarized in the following Table:

(Rs. Lakh)

Sl.	Particulars	FY 2007-08			
		APR Order Provisional true-up (Case 88 of 2007)	MSLDC Petition	Approved after final trueing up	Deviation from provisional true-up
		(a)	(b)	(c)	(c) - (a)
	<b>Operating Cost Budget</b>				
1	Operation & Maintenance Expenses				
1.1	Employee Expenses	540.88	639.68	522.62	(18.26)
1.2	Administration & General Expenses	117.97	126.75	126.75	+8.78
1.3	Repair & Maintenance Expenses	100.76	48.51	48.51	(52.25)
2	Interest on Working Capital	30.44	40.06	29.72	(0.72)
3	Other Expenses / (arrears due to wage revision)		40.69		
4	RLDC Fees and WRPC Charges	237.55	238.00	238.00	+0.45
	<b>Sub-total (operating Cost Budget)</b>	<b>1027.60</b>	<b>1133.69</b>	<b>965.60</b>	<b>(62.00)</b>
	<b>Capital Charge Budget</b>				
5	Depreciation, including advance against depreciation	141.95	126.56	126.56	(15.39)
6	Interest on Long-term Loan Capital	95.85	95.85	96.39	+0.54
7	Return on Equity Capital	0.92	0.92	0.76	(0.16)
	<b>Sub-total (Capital Charge Budget)</b>	<b>238.72</b>	<b>223.33</b>	<b>223.71</b>	<b>(15.01)</b>
<b>8</b>	<b>TOTAL SLDC Budget</b>	<b>1266.32</b>	<b>1357.02</b>	<b>1189.31</b>	<b>(77.01)</b>
	<b>SLDC Revenue Components</b>				
9	Income from Annual SLDC Fees	441.81	441.81	441.81	0.00
10	Income from Monthly SLDC Operating Charges	1038.91	1038.91	1038.91	0.00
11	SLDC fees		41.07	41.07	+41.07
12	Rescheduling charges				
13	other receipts		0.97	0.97	+0.97
<b>14</b>	<b>Total Revenue</b>	<b>1480.72</b>	<b>1522.76</b>	<b>1522.76</b>	<b>+42.04</b>
<b>15</b>	<b>Revenue Gap / (Surplus)</b>	<b>-214.40</b>	<b>-165.74</b>	<b>-333.45</b>	<b>(119.05)</b>





Sl.	Particulars	FY 2007-08			
		APR Order Provisional true-up (Case 88 of 2007)	MSLDC Petition	Approved after final truing up	Deviation from provisional true-up
		(a)	(b)	(c)	(c) - (a)
16	<b>Add: Revenue gap/(surplus) of FY 2007-08 after final truing up</b>				<b>(119.05)</b>

48. Accordingly, an excess recovery of Rs. 119.05 Lakh for FY 2007-08, is required to be considered while approving MSLDC Budget for FY 2009-10. In this context, it is noted that the estimated revenue surplus of Rs 214.40 Lakh has already been considered at the time of provisional true-up for FY 2007-08 under SLDC Budget Order for FY 2008-09 (Case 88 of 2007) as outlined under following table.

**Part-D: Provisional True-up for FY 2008-09**

(Rs. Lakh)

Sl.	Particulars	FY 2008-09		
		APR Order (Case 88 of 2007)	MSLDC Petition	Approved after provisional truing up
		(a)	(b)	(c)
	<b>Operating Cost Budget</b>			
1	Operation & Maintenance Expenses			
1.1	Employee Expenses	703.64	737.41	589.34
1.2	Administration & General Expenses	159.22	149.85	134.41
1.3	Repair & Maintenance Expenses	121.60	129.30	121.11
2	Interest on Working Capital	38.05	39.50	37.90
3	Other Expenses / (arrears due to wage revision)	0.00	4.74	0.00
4	RLDC Fees and WRPC Charges	237.55	238.35	238.35
	<b>Sub-total (operating Cost Budget)</b>	<b>1260.05</b>	<b>1299.15</b>	<b>1121.11</b>
	<b>Capital Charge Budget</b>			
5	Depreciation, including advance against depreciation	143.52	138.14	138.14
6	Interest on Long-term Loan Capital	197.33	135.96	119.36
7	Return on Equity Capital	111.64	22.76	12.44
	<b>Sub-total (Capital Charge Budget)</b>	<b>452.49</b>	<b>296.87</b>	<b>269.94</b>
8	<b>TOTAL SLDC Budget</b>	<b>1712.55</b>	<b>1596.01</b>	<b>1391.05</b>
	<b>SLDC Revenue Components</b>			



Sl.	Particulars	FY 2008-09		
		APR Order (Case 88 of 2007)	MSLDC Petition	Approved after provisional truing up
		(a)	(b)	(c)
9	Income from Annual SLDC Fees	249.40	249.40	249.40
10	Income from Monthly SLDC Operating Charges	1248.74	1248.70	1248.70
11	SLDC fees		186.00	186.00
12	Rescheduling charges		112.40	112.40
13	other Receipts		3.00	3.00
<b>14</b>	<b>Total Revenue</b>	<b>1498.14</b>	<b>1799.50</b>	<b>1799.50</b>
<b>15</b>	<b>Revenue Gap / (Surplus)</b>	<b>-214.41</b>	<b>-203.49</b>	<b>-408.45</b>
<b>16</b>	<b>Add: Revenue gap/(surplus) of FY 2008-09 after provisional truing up</b>			<b>(408.45)</b>

49. Accordingly, an excess recovery of Rs. 408.45 Lakh for FY 2008-09, is required to be considered while approving MSLDC Budget for FY 2009-10. The Commission observes that apart from reduction in actual expenses as compared to that approved under operating cost budget and capital charge budget, there has been significant increase in revenue during FY 2008-09 on account of SLDC fees charged for open access transactions and re-scheduling charges.

**Part-E: Summary of Revenue Budget for FY 2009-10**

50. Accordingly, MSLDC Budget for FY 2009-10 as approved by the Commission is summarized in the following Table:

(Rs. Lakh)

Sl.	Particulars	FY 2009-10	
		MSLDC (Petition)	Approved
	<b>Operating Cost Budget</b>		
1	Operation & Maintenance Expenses		
1.1	Employee Expenses	753.86	632.42
1.2	Administration & General Expenses	214.59	142.52
1.3	Repair & Maintenance Expenses	174.85	127.39
2	Interest on Working Capital	48.55	39.96
3	RLDC Fees and WRPC Charges	240.07	240.07
4	Other Expenses / (arrears due to wage revision)	0.00	0.00
	<b>Sub-total (operating Cost Budget)</b>	<b>1431.92</b>	<b>1182.37</b>



Sl.	Particulars	FY 2009-10	
		MSLDC (Petition)	Approved
	<b>Capital Charge Budget</b>		
5	Depreciation, including advance against depreciation	206.94	152.24
6	Interest on Long-term Loan Capital	268.25	169.67
7	Return on Equity Capital	145.24	41.13
	<b>Sub-total (Capital Charge Budget)</b>	<b>620.42</b>	<b>363.04</b>
8	<b>TOTAL SLDC Budget for FY 2009-10</b>	<b>2052.34</b>	<b>1545.41</b>
	<b>True-up Adjustments on account of Over-recovery/Under-recovery</b>		
9	Add: Revenue gap/ (surplus) of FY 2007-08 after final truing up		-119.05
10	Add: Revenue gap/(surplus) of FY 2008-09 after provisional truing up		-408.45
	<b>Sub-total (True-up adjustments for FY 2007-08 and FY 2008-09)</b>		<b>-527.50</b>
11	<b>Total revenue to be recovered through SLDC Fees &amp; Charges for FY 2009-10</b>		<b>1017.91</b>

#### **Part-F: Determination of SLDC Fees and Charges and Mechanism for recovery**

51. Thus, the Commission hereby approves MSLDC Budget for FY 2009-10 as Rs 1545.41 Lakh, however, due to true-up adjustment of revenue surplus to the extent of Rs 527.50 Lakh, the approved revenue from SLDC Fees and Charges for FY 2009-10 shall be Rs 1017.91 Lakh. Further, the total true-up adjustment (revenue surplus) of Rs 527.50 Lakh has been adjusted in proportion to operating cost budget and capital charge budget to determine Annual SLDC Operating Charges and Annual SLDC Fees for FY 2009-10. The approved revenue from Annual SLDC Operating Charges corresponding to Operating Cost Budget and Annual SLDC Fees corresponding to Capital Charge Budget for FY 2009-10 is presented in the following Table:

(Rs. Lakh)

Sl.	Particulars	FY 2009-10		
		Approved SLDC Budget	True-Up Adjustment	Approved Revenue
1	Operating Cost Budget	1182.37	(403.58)	778.79
2	Capital Charge Budget	363.04	(123.92)	239.12
3	<b>Total SLDC Budget</b>	<b>1545.41</b>	<b>(527.50)</b>	<b>1017.91</b>



52. The Commission, in its earlier Order dated May 16, 2006 in Case No. 30 of 2005 has outlined the principles for determination of SLDC Fees and Charges and mechanism for recovery of the same, which has been adopted for FY 2009-10 as enumerated below.

- i. SLDC Fees and Charges shall comprise following components:
  - (a) Annual SLDC Fees – corresponding to Capital Charge related Budget components, payable on semi-annual basis.
  - (b) SLDC Operating Charges – corresponding to annual operating cost budget comprising Employee expense, R&M expense, A&G expense, interest on working capital and RLDC fees and charges, payable monthly in arrears.
- ii. Annual SLDC Fees and Annual SLDC Operating Charges shall be levied on distribution licensees in proportion to their contribution to Co-incident Peak Demand (CPD) in MW terms met during previous year. Annual SLDC Fees shall be recovered on semi-annual basis on April 10, and October 10, of each fiscal year, whereas Annual SLDC Operating Charges shall be recovered on monthly basis, in arrears.
- iii. Further, SLDC shall be entitled to levy and recover Registration/Connection Fee and Rescheduling Charges as under:
  - Registration or Connection Fees at the rate of Rs 10,000/- per connection for connecting to the intra-State transmission system (InSTS). The registration fees shall be a one-time fee payable at the time of registration or seeking connection to InSTS. The registration fees shall be applicable for all generating companies, distribution licensees and Transmission Open Access Users (TOAU).
  - Rescheduling Charges: To be levied on generating companies, distribution licensees, trading companies, transmission OA users, as the case may be, at the rate of Rs 3000/- for each revision in schedule after finalization of schedules by MSLDC on day-ahead basis or for non-submission of schedule as per State Grid Code requirements.
- iv. In addition, MSLDC has proposed Other Charges as under:
  - (a) **Scheduling Charges**: MSLDC has proposed Scheduling charges of Rs 1000 per day for intra-State short term open access transactions. In this context, MSLDC 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. Hence, the Commission hereby approves the Scheduling Charges for short term open access transactions at Rs 1000 per day, as proposed by MSLDC. The revenue from such scheduling



charges shall be considered for adjustment of SLDC budget in subsequent years.

- (b) **Short Term Open Access Application Processing Fees:** MSLDC has proposed to levy non-refundable application processing fee of Rs 5000/- per application in case of short term open access applications. MSLDC, as Nodal Agency for short-term Transmission Open Access (STOA) transactions, will have to facilitate and process short-term open access applications in accordance with the procedures formulated for the purposes. The volume of open access transactions and applications thereof is expected to increase. In this regard, the Commission has already approved non-refundable application processing fees of Rs 5000/- per application in case of short-term open access transactions under its Order in Case No. 92 of 2008, with effect from April 1, 2009.
- (c) **Delayed Payment Charges:** MSLDC has proposed that delayed payment charges at the rate of SBI PLR plus 4% per annum should be applicable in case of delay in payment beyond due date in respect of SLDC fees and charges approved under this Order. The Commission recognises that timely payment of SLDC fees and charges would be critical. Accordingly, the Commission hereby approves the delayed payment charges as proposed by MSLDC.

53. The **net SLDC Budget for the year FY 2009-10** after final truing up for FY 2007-08 and provisional truing up for FY 2008-09, has been approved as **Rs. 1017.91 Lakh, comprising Net approved Operating Cost budget of Rs. 778.79 Lakh and Net approved Capital Charge related Budget of Rs. 239.12 Lakh.**

54. MSLDC will have to recover charges from the distribution licensees based on the share of co-incident peak demand met by individual distribution licensee for the period October 2007 to September 2008. The 12- monthly average of co-incident peak demand and share of each distribution licensee in terms of contribution to co-incident peak demand (MW) is summarized in the following Table. Accordingly, the Commission hereby determines the share of each distribution licensee out of approved MSLDC Budget for FY 2009-10 as summarized below:

Particulars	MSLDC Budget for FY 2009-10	Annual Operating Budget	Capital Charge Budget	Share of coincident peak demand	Percent age share	Annual MSLDC Operating Charges	Annual MSLDC Fees	Annual MSLDC Fees and Charges
	(Rs. Lakh)	(Rs. Lakh)	(Rs. Lakh)	(MW)		(Rs. Lakh)	(Rs. Lakh)	(Rs. Lakh)
MSEDCL	1017.91	778.79	239.12	10631	82.10%	639.41	196.33	835.74



TPC-D			347	2.68%	20.90	6.42	27.31
RInfra-D			1314	10.15%	79.02	24.26	103.28
BEST			656	5.07%	39.47	12.12	51.59
<b>TOTAL</b>			<b>12948</b>	<b>100%</b>	<b>778.79</b>	<b>239.12</b>	<b>1017.91</b>

55. Further, in view of principles outlined under paragraph 50 of this Order, the Commission hereby approves recovery of Monthly SLDC Operating Charges and Semi annual SLDC Fees during FY 2009-10 from various distribution licensees as summarized below:

(Rs. Lakh)

Particulars	Monthly MSLDC Operating Charge (Rs. Lakh/month)	Semi-Annual MSLDC Fees (Rs. Lakh/ hlf yr)
MSEDCL	53.28	98.16
TPC-D	1.74	3.21
RInfra-D	6.58	12.13
BEST	3.29	6.06
<b>TOTAL</b>	<b>64.90</b>	<b>119.56</b>

56. The Commission will true up actual expenses incurred (after prudence check) and revenue earned during FY 2008-09 and FY 2009-10 after submission of audited results and Allocation Statements by MSLDC.

57. With the above, the Petition (Case No. 117 of 2008) seeking approval of MSLDC Budget for FY 2009-10, is hereby disposed of.

Sd/-  
(S.B. Kulkarni)  
Member

Sd/-  
(A. Velayutham)  
Member

Sd/-  
(V.P. Raja)  
Chairman



(P.B.Patil)  
Secretary, MERC