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|  | **पंजीकृत कार्यालय :शक्ति सदन, कोटला रोड़, न्यू दिल्ली-110002**  (Regd. Office Shakti Sadan, Kotla Road, New Delhi-110002)  **कार्यालय उपमहाप्रबंधक (एस.ओ.)**  **Office of Dy. General Manager (SO)**  **एस एल डी सी बिल्डिंग, मिंटो रोड़, न्यू दिल्ली-110002**  SLDC Building, Minto Road, New Delhi-110002  Ph: 23221149 FAX No.23221012 | |
| **No. F./DTL/207/11-12/DGM(SO)/311** | | **Dated : 02.04.2011** | |

1 Chairperson, NDMC, Palika Kendra, Sansad Marg, New Delhi

2 Managing Director, IPGCL/PPCL, Himadri, Rajghat Power House, New Delhi-02

3 Sh. Arun Kumar, Executive Director (Commercial), PGCIL, Saudamini Plot No.2, Sector-29, Gurgaon-122001

4 CEO, BRPL, BSES Bhawan, Nehru Place, New Delhi-110019

5 CEO, BYPL, Shakti Kiran Bldg., Karkardooma, New Delhi-92

6 M.D., NDPL, 33kV Grid S/Stn, Hudson Lane, Kingsway Camp, Delhi-9

7 CE (Utilities), CWE, MES, Near Gopi Nath Bazar, Delhi Cantt New Delhi

8 G.M. (NRLDC), 18-A, Qutab Institutional Area, Katwaria Sarai, New Delhi- 16

9 G.M. (SLDC), SLDC Building, Minto Road, New Delhi-110002

10 G. M.(Commercial), DTL, IP Estate, New Delhi-110002

11 G.M.(Comml.), NTPC NCR HQ, Sec-24, Noida, UP-201301

12 Dy. G. M. (Fin)-I, DTL, Shakti Sadan

13 Dy. G. M. (Fin)-II, DTL, Shakti Sadan

14 Dy. G. M. (Fin)-III, DTL, RPH

**MEETING NOTICE**

**Venue : Director (Operation) Office**

Delhi Transco Ltd. Shakti Sadan, New Delhi-110002

Date : 05.04.2011

Time : 11:00hrs.

To be chaired by : Director (Operations), DTL

**Subject : Payment of Fees and Charges of NRLDC / NLDC bill for the period October 2010 to February 2011**

Sir,

NRLDC had raised the bill for the period October 2010 to February 2011 amounting Rs. 249.07081 Lacs. A meeting was convened under the Chairmanship of Director (Operations), DTL on 01.04.2011 at SLDC to draw out the strategies for reimbursement the amount.

**1 Sharing of charges of RLDC by Intrastate Utilities.**

As per the Clause-22 of the `Fees and Charges Regulations’ dated 18.09.2009, the System Operation Charges portion of RLDC Fees and Charges shall be collected from the `Users’. Sub-Clause 4 further states the following:-

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*(4) The System Operation Charges from distribution licensees and buyers shall be collected in proportion to the sum of their allocations and contracted capacities, as the case may be, as on the last day of the month prior to billing of the month*

*Provided that the respective State Load Despatch Centre shall be the nodal agency for this purpose in the State if the concerned Regional Load Despatch Centre, State Load Despatch Centre and the distribution licensees arrives at a mutual consensus to do so. The respective State Load Despatch Centre shall collect the system operation charges from the distribution licensees within a state on behalf of the concerned Regional Load dispatch Centre and the same shall be deposited to the concerned Regional Load Despatch Centre.*

Likewise, Clause-23 of the Regulations speaks about collection of Market Operation Charges. The relevant clause is reproduced hereunder:-

***23. Collection of Market Operation Charges***

*The market operation charges shall be collected equally from all the users except inter state transmission licensees:*

*Provided that the respective State Load Despatch Centre shall be the nodal agency for this purpose in the State if the concerned Regional Load Despatch Centre, State Load Despatch Centre and the distribution licensees arrives at a mutual consensus to do so. The respective State Load Despatch Centre shall collect the market operation charges from the distribution licensees within a state on behalf of the concerned Regional Load dispatch Centre and the same shall be deposited to the concerned Regional Load Despatch Centre.*

The `User’ is defined as per the latest amendment of `Fees and Charges’ Regulations of CERC amended on 28.03.2011 as under:-

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

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

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Distribution Licensees were of the view that since System Operation charges are trifurcated to Interstate Transmission Utilities (10%), Generating Stations / Sellers (45%) and Buyers / Distribution Licensees (45%) and the Generating Stations are users, these charges should be borne by Delhi Utilities in the same proportion at Regional level. Further, the Market Operation Charges (MOC) are divided amongst the total number of users except Intrastate Transmission Utility, these charges are also to be borne by all utilities except DTL at Intrastate level.

As such, MoC charges are to be divided equally amongst the utilities namely RPH, GT, Pragati, BTPS, BRPL, BYPL, NDPL, NDMC, MEs at present and when Bawana CCGT declares CoD, the same should be brought under the ambit

The representative of Generating Utilities quoted Statement of Reasons Clause no. 6.7.4 and 4.3.1.1 and ascertained that these charges are not to be borne by Intrastate Generating utilities and DTL. The said clauses of Statement of Reasons dated 27.11.2009 are reproduced hereunder:-

**4.3 COLLECTION OF FEE AND CHARGES**

4.3.1 **Collection of System Operation Charges**

4.3.1.1 The sub-section (4) under section 28 of the Act provides that, “(4) The Regional Load Despatch Centre may levy and collect such fee and charges from the generating companies or licensees engaged in inter-State transmission of electricity as may be specified by the Central Commission.”

4.3.1.2 Clause (k) under section 4 of the National Load Despatch Centre Rules, 2004 provides that “levy and collection of such fee and charges from the generating companies or licensees involved in the power system, as may be specified by the Central Commission.”

4.3.1.3 Further, Sub-section (1) under section 2 of the Electricity (Removal of Difficulty) Sixth Order, 2005 provides that “The Regional Load Despatch Centre may levy and collect such fee and charges from the licensees using the inter-state transmission system as may be specified by the Central Commission.”

4.3.1.4 Sub-section (1) under section 183 of the Act, relating to ‘Power to remove difficulties’ provides that, “If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published, make such provisions not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty: Provided that no order shall be made under this section after the expiry of two years from the date of commencement of this Act.”

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4.3.1.5 As such, any order made by the Central Government under section 183 of the Act is not in lieu of the provisions of the Act but is in addition to the relevant provision, provided the addition is ‘not inconsistent with the provisions of this Act’.

4.3.1.6 Accordingly, the Power System Operation Company shall be entitled to levy and collect fee and charges from users of the inter-State transmission system and power exchanges as specified in any other regulations.

The term user is defined under Reg**u**lation 3(25) of the said Regulations as, ‘user’ means the generating companies, distribution licensees, buyers, sellers and inter state transmission licensees, as the case may be, who use the inter–state transmission network or the associated facilities and services of National Load Despatch Centre and Regional Load Despatch Centres”.

**4.3.2 Proportion of Collection of System Operation Charges**

4.3.2.1 The users of system operation function can be categorised into three major heads, viz. inter-State transmission licensees, the generating stations and sellers and the distribution licensees and buyers. The System operation charges shall be collected from inter-State transmission licensees, the generating stations and sellers and the distribution licensees and buyers in the proportion of 10%,45% and 45% respectively.

4.3.2.2 The system operation charges shall be collected from the inter-State transmission licensees on the basis of the ckt.-km of the lines owned by them. The generating companies and sellers shall be charged in proportion to their installed or contracted capacity, as the case may be. The distribution licensees and buyers shall bear the system operation charges in proportion to the sum of their allocations and contracted capacities, as the case may be, as on the last day of the month prior to billing of the month.

6.7.4 As per the final regulation, system operation charges will not be collected from the intra-State transmission licensees. Accordingly, the concern of the WBSETCL and WBSEDCL are taken care of. As regards the collection of the charges from the distribution licensees and generating companies, the same has been discussed under para 4.3 above. We do not find any justification for not collecting fee and charges from the distribution licensees and generating companies. Accordingly, we reject this suggestion.

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The representatives of Distribution companies were of the view that since RLDC charges are to be borne by Generating Companies, Transmission Utilities and Buyers at Regional level, when the charges are to be collected and paid by Delhi SLDC, hence the responsibility of the payment is of SLDC. At State level, the charges of RLDC levied on Delhi SLDC to be shared by all Intrastate Utilities in same analogy of sharing of RLDC Charges i.e. Intrastate Transmission Utilities, Intrastate Generating Stations and Distribution Licensees.

NRLDC representative pointed out the second para of Clause 22 (4) which speaks about collection of System Operation Charges and Second para of Clause 23 of the Regulation, the SLDC has to collect the charges from the Distribution Companies and remit the same with RLDC on behalf of Distribution Companies. But the first part of Clause 23 of the Regulations about collection of Market Operation Charges says that Market Operation Charges shall be collected equally from all Users except Interstate Transmission Licensees. However, the payment mechanism at State level can be arrived in same analogy of sharing of charges at Regional level.

SLDC representative was also of the view that all charges of RLDC should be shared by all the Users of SLDC i.e. Distribution Companies, Generating Stations and State Transmission Utility on same proportion i.e. System Operation Charges to be shared in the ratio 45%, 45% and 10% respectively. The Market Operation Charges to be shared by all users (in numbers) of SLDC i.e. Generating Stations and Distribution Licensees as mentioned in the Regulations.

**Since, no consensus could be arrived, it was decided to discuss and decide the matter further at senior level.**

**2 Settlement of bills for the period from 01.04.2009 to 31.03.2011**

Discoms and SLDC was of the view that since the Fees and Charges have been decided from 01.04.2009 to 31.03.2014, the bills upto March 2011 should be settled according to the new regulations as Discoms have already paid more than the share of fees already decided by the Commission upto February 2011 based on the bills raised by the PGCIL.

NRLDC representative quoted the relevant portions of the orders of CERC. The same reproduced hereunder :-

Considering the fact that the separation of POSOCO from PGCIL is in transition, we have decided that charges of POSOCO i.e. NLDC and RLDCs for the tariff period 2009-14 shall be determined by the Commission based on the petitions filed in accordance with the provisions of Central Electricity Regulatory Commission (Fees and Charges of Regulation Load Despatch Center) and other related matters) Regulations, 2009. However, PGCIL shall bill the beneficiaries / users upto the date of transfer of assets to POSOCO and after the transfer, billing shall be made on the beneficiaries / users by NLDC and RLDCs as the case may be.

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In view of above, the representative of NRLDC was of the view that it is the responsibility of Power Grid to clear the bills upto October 2010 since then the assets are transferred to POSOCO as per the Govt. of India order. Distribution Licensees and SLDC were of the view that the settled bill should be issued upto 31.03.2011 and SLDC shall take up the responsibility of collection and disbursement of charges from 01.04.2011 to be raised on May 2011.

**3 TDS Deduction**

The methodology of TDS could not be finalized due to divergent views. General consensus was that TDS be deducted by the users on which the charges are to be levied and release the TDS deduction certificate to NRLDC. The operational procedural difficulties in this regard should be discussed / settled further in details.

To resolve the above mentioned issues, a meeting is scheduled to be convened in the Chamber of Director (Operations), DTL, Shakti Sadan, New Delhi-110002 at 11:00Hrs on 05.04.2011

Director (Operations), DTL shall chair the meeting.

You are requested to kindly attend or detail a responsible officer who is authorized to take the decision in the meeting on the above issues.

Thanking you,

भवदीय / Yours faithfully

(**वी.वेणुगोपाल)/(V. Venugopal )**

**(उपमहाप्रबंधक (एस.ओ.)/**Dy. G. M. (SO)

Copy for favour of kind information to :-

1 Secretary, DERC, Viniyamak Bhawan, C-Block, Shivalik, New Delhi-110017

2 CMD, DTL, Shakti Sadan Building, New Delhi-110002

3 Director (Commercial), Power Grid

4 Director (Finance)

5 Director (Operations), DTL,

6 CEO (POSOCO), NLDC, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016