

THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
(Levy and Collection of SLDC Fee and Charges) REGULATIONS-2004

NOTIFICATION No. B/13/3 dated 7th July 2004.

(Notified in Karnataka Gazette on 18.11.2004, page nos.2023-2030)

Preamble:

Under Section 31 of the Electricity Act 2003, the State Govt is required to establish a Centre to be known as State Load despatch Centre (SLDC) for the purposes of exercising the powers and discharging the functions of regulating intra-state transmission of power under the Electricity Act. The SLDC shall be operated as a Government Company or any other authority or corporation established or constituted by or under any State Act, as may be notified by the State Government. Until a government company or any authority or corporation is notified by the Government of Karnataka, the Karnataka Power Transmission Corporation, being the State Transmission Utility (STU), shall operate the State Load Despatch Centre.

In terms of Section 32 of the Act, the SLDC shall be the apex body to ensure integrated operation of the power system in a State. The SLDC may levy and collect such fee and charges from the Generating Stations and Licensees engaged in intra-state transmission of electricity as may be specified by the State Commission.

Now therefore, in exercise of the powers conferred by section 181(2)(g) read with section 32 of the Act, Karnataka Electricity Regulatory Commission hereby makes the following Regulations for levy and collection of fee and charges by SLDC from the Generating Stations which are monitored and despatched by SLDC and Transmission Licensees engaged in intra-State transmission of electricity.

CHAPTER- I

1.0 Short title, extent and commencement-

- 1.01** These Regulations may be called **Karnataka Electricity Regulatory Commission (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations-2004**. This extends to the whole of the State of Karnataka.
- 1.02** They shall apply to the licensees engaged in intra-State transmission of electricity and generating stations that are monitored and despatched by SLDC in the State of Karnataka. These Regulations shall not be applicable to generating stations upto and inclusive of installed capacity of 5MW.

- 1.03** They shall come into effect from the date, the Government of Karnataka, establishes the State Load Despatch Centre under Sec. 31(1) of the Act.

CHAPTER-II

2.0 Definitions

- 2.01 "Act" means The Electricity Act 2003;
- 2.02 "Billing month " means the calendar month ending with the last day of the month;
- 2.03 "Commission" means the Karnataka Electricity Regulatory Commission;
- 2.04 "Financial Year" means the year commencing from first day of April, and ending on the thirty-first day of March of the following year;
- 2.05 "Intra-State Transmission System" means any system for transmission of electricity other than an inter-state transmission system;
- 2.06 "KER Act" means the Karnataka Electricity Reforms Act 1999 as amended from time to time;
- 2.07 "State Government" means the Government of Karnataka;
- 2.08 "State Load Despatch Centre (SLDC)" means the load Despatch Centre established in Karnataka by the Government of Karnataka;
- 2.09 "State Transmission Utility" means the Karnataka Power Transmission Corporation, which has been notified as such by the Government of Karnataka, under the Act;
- 2.10 "Transmission Licensee" means a licensee authorised to establish or operate transmission lines.
- 2.11 Words and phrases which are not defined in this regulation shall have the same meaning as found in the Electricity Act 2003 & KER Act 1999. In case of any inconsistency in the words and phrases between the Act and the KER Act, the provisions of the Act will prevail.

CHAPTER-III

Fee and SLDC charges

3.00 Levy and Collection of Fee and SLDC Charges from Generating Stations and Transmission Licensees

- 3.01 From the date the State Load Despatch Centre is established by the Government of Karnataka under Section 31 of the Act, all expenses incurred by SLDC, shall be accounted separately.
- 3.02 For the discharge of its functions as specified in section 32 of the Act, expenses incurred by the SLDC shall be recovered from the Generating stations monitored and despatched by the SLDC and the Transmission Licensees.

- 3.03 Each of the Generating stations monitored and despatched by SLDC and Transmission Licensees which come under the purview of these Regulations shall submit an application to the SLDC in the specified format at least one month before the proposed date of connection to the State Grid, along with Fee of Rs.10, 000. (Rupees Ten Thousand only). The existing Transmission Licensees and Generating Stations, which come under the purview of these Regulations, shall register themselves with the SLDC by filing an application along with the above mentioned fees.
- 3.04 The SLDC, after scrutinising the application and after being satisfied of the completeness and correctness of the information furnished in the application, shall register the application in SLDC records duly intimating the applicant regarding the acceptance.
- 3.05 i) The SLDC charges to be recovered from the Generating Stations monitored and despatched by SLDC and Transmission Licensees shall be determined taking into account the following expenses:
- a) Employee Cost
 - b) Administration and general Charges
 - c) Repairs and Maintenance Expenses
 - d) Depreciation
 - e) Interest and finance charges
 - f) Interest on working capital, if any
 - g) Return on equity/Investments
 - h) Any other expenses incidental to discharging the functions of SLDC.
- 3.06 Basis for collection of SLDC charges:
The annual SLDC charges shall be arrived at, as per Annexure-1 and shall be allocated equally between the Generating Stations monitored and despatched by SLDC and Transmission licensees. Thereafter, the allocation of charges to the individual Generating Stations monitored and despatched by SLDC shall be on the basis of installed generation capacity. The allocation of charges to individual transmission licensees shall be on the basis of M.W Kilo Meters of the transmission network.

CHAPTER –IV

4.01 Filing of Annual Revenue Requirement (ARR) by the SLDC

- a) Not later than four months before the commencement of the Financial Year, the SLDC shall provide to the Commission, full

details of its calculations of the estimated ARR for the ensuing Financial Year and proposed allocation of charges to transmission licensees and generating stations. The details shall also be furnished to the Generating Stations and Transmission Licensees simultaneously.

- b) The details of calculation of the expenses and other related information shall be provided in the format prescribed in the [Annexures 1 to 13](#).
- c) The details of capital investment programme for the ensuing year shall be furnished along with the ARR filing. For projects costing above Rupees one crore, specific prior approval of the Commission, in respect of each of the projects shall be obtained duly furnishing the Detailed Project Report (DPR) for such works, with full details.
- d) The ARR shall be filed, in the form of a petition, by the SLDC in Six sets with each format signed by an authorised officer of the SLDC, who shall be responsible for verifying and certifying the correctness thereof.
- e) The ARR filed by the SLDC shall be scrutinised by the Commission and as a result of such scrutiny, the Commission may, within fifteen working days, call for such further information and clarification as may be required.
- f) The Commission will thereafter follow, as far as practicable, the procedure specified as per the KERC (General and Conduct of proceedings) Regulations, for disposal of application by the SLDC.
- g) The Commission may get the books/records of SLDC examined by its officers and/or by any authorised person at any point of time during the pendency of the petition or otherwise. The reports of the officers etc., shall be made available to the parties concerned and they shall be given opportunity to reply/respond to the reports. The Commission shall duly take into account the report or the opinion given by the officers and/ or by any authorised person and the reply filed by the parties thereon, and if considered necessary, the Commission may examine the person giving the reports or the opinion, while deciding the matter.
- h) Upon the Commission being satisfied that all the information and clarification sought for by it have been produced and that sufficient opportunity has been afforded to all the parties concerned, the Commission will pass appropriate orders on the ARR. The Commission will also determine the SLDC charges recoverable from the Generating stations monitored and despatched by SLDC and the Transmission Licensees in the first ARR.

- i) The SLDC charges so determined by the Commission shall be valid till the approval of next revision of charges. SLDC shall seek revision of charges only when the ARR for any year varies by plus or minus 10% of the ARR considered at the time of previous determination of SLDC charges.
- j) SLDC shall file ARR every year even when no revision of charges is required. The Commission will validate the ARR and pass appropriate orders.
- k) In the event of non-revision of SLDC charges during any year for the reasons cited under 4.01 (i), shortfall or excess in recovery of SLDC charges, shall be carried forward to the next ARR.
- l) The SLDC shall submit periodic returns containing operational and cost data, as may be prescribed by the Commission.
- m) All filings shall be in conformity with the stipulations made in these Regulations.

CHAPTER-V

BILLING AND COLLECTION OF SLDC CHARGES

5.01 Billing of SLDC Charges:

- a) The SLDC shall furnish necessary monthly bills at the rate of one twelfth of the annual charges as approved by the Commission, to the Generating stations monitored and despatched by SLDC and the Transmission Licensee for each billing month with in SEVEN DAYS after the last day of the preceding month.
- b) The Generating Companies and the Transmission Licensees shall make payment to the SLDC of the amounts due within FIFTEEN DAYS of the date of receipt of the bill.
- c) If the payment is not made within the due date, a penal interest at the rate of SBI Prime Lending Rate PLUS TWO percent per annum shall be payable on the unpaid amounts.
- d) Priority for Payment of SLDC Charges: The Generating stations monitored and despatched by SLDC and the Transmission Licensees shall arrange payment of the SLDC Charges on a first charge basis over all other payments except statutory payments.
- e) Disputes in billing: Disputes arising out of billing of SLDC charges shall be, as far as possible, settled by mutual negotiations. If the disputes are not resolved through mutual

negotiations within SIXTY DAYS of the receipt of the bills, the matter shall be referred to the Commission through a petition by either of the parties. The decision of the Commission shall be binding on both the parties.

- f) Pending resolution of the dispute 90% of the bill amount shall be paid under protest within the due date.

CHAPTER- VI **Miscellaneous**

- 6.01(a) 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.
- (b) 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 and for reasons to be recorded in writing, deems it just or expedient for deciding such matter or class of matters.
- (c) Nothing in these regulations shall, expressly or impliedly, 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.

BY Order of the Commission,

Sd/-
Secretary