

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

(Constituted under section 82 (1) of the Electricity Act, 2003
Central Act 36 of 2003)

PRESENT:

Thiru K. Venugopal

... Member

and

Thiru S. Nagalsamy

... Member

M.P. No. 17 of 2012

Tamil Nadu Generation and Distribution
Corporation Limited,
NPKRR Maaligai,
No. 144, Anna Salai,
Chennai – 600 002.

... Petitioner
(Thiru P.H. Vinod Pandian,
Standing Counsel for the
Petitioner)

Vs.

Nil

... Respondent

Date of Hearing : 21-06-2012

Date of Order : 03-07-2012

1. Prayer in the MP 17 of 2012:

The prayer of the petitioner in MP 17 of 2012 is to-

- (i) Grant the time extension for submission of the initial report on Fuel Price Adjustment Charges (FPAC) calculation during June 2012

and comprehensive report for the same submitted at the end of July 2012;

(ii) Submit the initial report on cost to serve at the end of September 2012 and modified comprehensive report at the end of November 2012;

(iii) Grant time extension for submission of petition for approval of additional capitalization and capitalization of existing generating stations at the end of August 2012.

2. **Facts of the case:**

The Commission has directed TANGEDCO in the Tariff Order dated 30-3-2012, to submit its preparedness, implementation plan and sample FPAC calculations in respect of Fuel Price Adjustment Charges within 30 days of issuance of the said Tariff Order. It has also been directed in the said Tariff Order to submit the action taken report on cost to serve within 45 days from the date of issuance of the said Tariff Order with the details as enumerated in Para 7 of the petition MP 17 of 2012 filed by the TANGEDCO. The TANGEDCO has also been directed by the Commission in the said Tariff Order to file petition for additional capitalization of existing generating stations.

3. **Contentions of the petitioner:**

3.1 TANGEDCO has submitted that it will adhere to the schedule for filing the petition for Fuel Price Adjustment Charges (FPAC) at the end of August,

November, February and May of each year as directed by the Commission in its Tariff Order dated 30-03-2012. TANGEDCO has also stated that its Board has approved in principle for appointment of consultant through open tender and the same is under progress and is expected to complete at the end of June 2012. The data of FPAC will be collected during July 2012 and will be submitted at the end of August 2012.

3.2 Fuel Price Adjustment Charges is a new concept and data for the last quarter of 2011-12 are being collected in comparison with other States and initial report will be submitted June 2012 and comprehensive report will be submitted by end of July, 2012.

3.3 The collection of extensive data on cost to serve needs more time and will be submitted at the end of September 2012 and comprehensive report will be submitted at the end of November 2012.

3.4 TANGEDCO has also submitted that considering the time limit for appointment of consultant and no immediate financial impact is involved in the matter. As such TANGEDCO requested two months further time for submission of separate petition for additional capitalization of existing generating companies.

4. **Hearing on 21-06-2012:**

During the hearing on 21-06-2012, Thiru P.H. Vinod Pandian, Standing Counsel for TANGEDCO prayed extension of time for submitting

FPAC, cost to serve model and for filing petition for additional capitalization of existing generating station, as prayed in MP 17 of 2012.

5. **Findings of the Commission:**

The Standing Counsel has submitted that the Board of TANGEDCO has already approved in principle the appointment of consultant through open tender for the purpose of preparing a detailed report on preparedness, implementation plan and sample FPAC calculation for the last quarter for which data is presently available with TANGEDCO. It is also stated by him that appointment of consultant is under progress and it would be completed at the end of June 2012. He has also submitted that FPAC is a new concept and data are collected in comparison with other States. Similarly extensive data collection exercise involves for computing accurate cost of supply and to furnish a study report on computation of consumer category wise and voltage wise along with the basis of allocation of different costs and losses to various consumer categories at various voltage levels and the costs for this purpose shall be Demand Related costs, energy related costs, service related costs and Allocation of Residual Costs. Further, he has also submitted with regard to additional capitalization of existing generating stations, no financial impact is involved immediately and however consultant to be appointed for the matter will prepare the same, as soon as he is appointed. He therefore prayed that extension of time as prayed for may be allowed in the above matter. We have considered the

submissions made by the standing counsel. Considering the fact that Board of TANGEDCO has already approved in principle the appointment of consultant for the purpose in view and it has also been brought to our notice that the appointment of consultant is under progress and will be over by the end of June 2012, we consider the following orders would meet the ends of justice.

1. Time extension sought for submitting a comprehensive proposal for Fuel Price Adjustment Charges is extended upto July 2012 as prayed for. The Petitioner should not approach for further extension in this regard.
2. Cost to serve model shall be submitted by the end of October 2012.
3. Details of additional capitalization clearly bringing out the cost benefit analysis and benefits which accrue to the consumers shall be submitted to the Commission by August 2012.

Ordered accordingly.

6. Appeal:

An appeal under section 111 of the Electricity Act, 2003 against this order shall lie to the Appellate Tribunal for Electricity within a period of 45 days.

(Sd.....)
(S. Nagalsamy)
Member

(Sd.....)
(K. Venugopal)
Member

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission