



TAMIL NADU GOVERNMENT GAZETTE

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Part VI --- Section 2

**Notifications of interest to a section of the public
Issued by Heads of Departments, etc.**

NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.

Tamil Nadu Electricity Regulatory Commission.

Notification in TNERC/TR/5/2-3 Dated 08.09. 2007

WHEREAS the Tamil Nadu Electricity Regulatory Commission specified the TNERC (Terms and Conditions for Determination of Tariff) Regulations 2005 under section 61 of the Electricity Act 2003 read with section 181 thereof and published the same in the Tamil Nadu Government Gazette (Part VI – Section 2 – Supplement) dated the August 3, 2005;

AND WHEREAS it is considered necessary to amend the Regulations further taking into account the amendments made to the CERC (Terms and Conditions of Tariff) Regulations;

NOW THEREFORE in exercise of the powers conferred under section 181 of the Electricity Act 2003 (Central Act 36 of 2003), and all other powers enabling it in this behalf, and after previous publication, hereby makes the following amendment to the TNERC (Terms and condition for Determination of Tariff) Regulations, 2005, (hereafter referred to as “the principal regulations” namely;

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

(Terms and conditions for Determination of Tariff)

(Third Amendment) Regulations 2007.

1. Short title and Commencement:

- (i) These Regulations may be called the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination) (Third Amendment) Regulations 2007.
- (ii) These Regulations shall come in to force on the date of their publication in the Tamil Nadu Government Gazette.

2. Amendment to regulation 6 of the principal regulations:

For clause (i) of sub – regulation (7) of regulation 6 of the principal regulations the following may be substituted namely;

“ (i) (a) A generation company or a licensee may make an application as per Appendix – I to these regulations, for determination of provisional tariff in advance of the anticipated date of completion of the project, based on the capital expenditure actually incurred upto the date of making of the application or a date prior to making of the application, duly audited and certified by the statutory auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective units of the generation station or the line or sub-station of the transmission system.

(b) Provisional tariff or provisional billing of charge, wherever allowed by the Commission based on the application made by the generating company or the transmission licensee or by the Commission on its own or otherwise, shall be adjusted against the final tariff approved by the Commission.

Provided that where the provisional tariff charged exceeds the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall pay simple interest @ 6% per annum computed on monthly basis, on the excess amount so charged from the date of payment of such excess amount and upto the date of adjustment.

Provided further that where the provisional tariff charged is less than the final tariff approved by the Commission, the beneficiaries shall pay simple interest at 6% per annum, computed on monthly basis on the deficit amount from the date on which final tariff will be applicable upto the date of billing of such deficit amount.

Provided also that excess/deficit amount along with simple interest at 6% shall be adjusted within three months from the date of order failing which the defaulting licensee / beneficiary shall be liable to pay penal interest on excess / deficit amount at the rate as may be decided by the Commission”.

3. Amendment of regulation 18 of the principal regulations :

In regulation 18 of the principal regulations after sub-regulation (8) the following shall be added namely;

“Provided that any person intending to establish, operate and maintain a generating station may make an application before the Commission for ‘in principle’ acceptance of the project capital cost and financing plan before taking up the project through a petition in accordance with the Tamil Nadu Electricity Regulatory Commission (Conduct of Business) Regulations 2004. The petition shall contain information regarding salient features of the project including capacity, location, site specific features, fuel, beneficiaries, break up of capital cost estimates, financial package, schedule of commissioning, reference price level, estimated completion cost including foreign exchange component, if any, consent of beneficiary / licensee to whom the electricity is proposed to be sold etc.,

Provided further that where the Commission has given ‘in principle’ acceptance to the estimates of project capital cost and financing plan, the same shall be the guiding factor for applying prudence check on the actual capital expenditure.”

4. Amendment to regulation 23 of the principal regulations:

For regulation 23 of the principal regulations, the following regulation shall be substituted, namely:-

“23 Interest and Finance charges on (debt) Loan Capital.

- (a) Interest on loan Capital shall be computed loan-wise on the loan arrived at in the manner set out in Regulation 21.
- (b) The generating company/licensee shall make every effort to re-finance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such re-financing shall be borne by the beneficiaries;
- (c) The changes to the loan terms and conditions shall be reflected from the date of such refinancing and benefit passed on to the beneficiaries;
- (d) In case of dispute, any of the parties may approach Commission with proper application. However, the beneficiaries shall not withhold any payment ordered by the Commission to the generating company / licensee during pendency of any dispute relating to re-financing of loan.
- (e) In case any moratorium is availed of by the generating company / licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.
- (f) The generating company / licensee shall not make any profit on account of re-financing of loan and interest on loan.

- (g) The generating company / licensee may, at its discretion, swap loans having floating rate of interest with loans having fixed rate of interest, or vice-versa, at its own cost and gains or losses as a result of such swapping shall accrue to the generating company/ licensee.

Provided that the beneficiaries shall be liable to pay interest for the loan initially contracted, whether on floating a fixed rate of interest”.

5. Amendment to regulation of 37 of principal regulations:

In regulation 37 of the principal regulations for clause (v) the following clause shall be substituted; namely;

“ (v) Auxiliary Energy Consumption –

(a) Coal – based generating station.

	<u>With cooling Tower</u>	<u>Without Cooling tower.</u>
i) 200 MW series	9.0%	8.5%
ii) 500 MW series		
Steam driven boiler feed pumps.	9.5%	7.0%
Electrically driven boiler feed pumps	9.0%	8.5.% “

/By order of the Commission/

**Secretary
Tamil Nadu Electricity Regulatory Commission**