



TAMIL NADU ELECTRICITY REGULATORY COMMISSION

NOTIFICATION No. TNERC/TR/5/2-5, DATED 06.02.2008

WHEREAS clause (a) of section 61 of the Electricity Act, 2003 (Central Act 36 of 2003) mandates that the appropriate Commission, shall, while specifying Tariff Regulations be guided by the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees and the Central Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2004 have provided for Advance Against Depreciation.

AND WHEREAS the Tamil Nadu Electricity Regulatory Commission specified the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2005 and published the same in the Tamil Nadu Government Gazette (Part VI – section I supplement) dated the 3rd August 2005.

AND WHEREAS provision for “Advance Against Depreciation” has not been made in the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2005

AND WHEREAS the Tariff Policy notified on 6th June 2006 stipulated in para 5.3.4 that the Central Electricity Regulatory Commission notify the rate of depreciation and that the Forum of Regulators in letter 1/20, 61/2006 – Tariff Policy CERC dated 23.06.2006 informed that the depreciation rates specified in the Central Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2004 and notified on 26th March 2004, would be valid for the period from 2004 to 2009.

AND WHEREAS it is considered necessary to amend, the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for determination of

Tariff) Regulations, 2005 in conformity with the Central Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2004.

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, the Tamil Nadu Electricity Regulatory Commission hereby makes the following amendment to the Tamil Nadu Electricity Regulatory Commission (Terms and conditions for Determination of Tariff) Regulations, 2005 (hereinafter referred to as the principal Regulations) namely:-

TNERC (Terms and Conditions for Determination of Tariff) (Fifth Amendment)
Regulations, 2007

1. Short title and commencement:

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

2. Insertion of new Regulation 24-A in the Principal Regulations

In the Principal Regulations, after regulation 24 the following new Regulation shall be inserted, namely:-

“24. A. Advance Against Depreciation:

In addition to the allowable depreciation, the licensee shall be entitled to Advance Against Depreciation computed in the manner given hereunder.

Advance Against Depreciation = Loan repayment amount minus depreciation
as per the Depreciation schedule in the
Annexure subject to a maximum of 1/10th of
the loan amount.

Provided that Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year;

Provided further that Advance Against Depreciation in a year shall be restricted to the extent of difference between cumulative loan repayment and cumulative depreciation up to the year”

(By the order of the Tamil Nadu Electricity Regulatory Commission)

(R.Balasubramanian)

