

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Draft Amendment to the Terms and Conditions for determination of
Tariff Regulations 2005

Notification No.TNERC / TR /5/2/10 dated 08-11- 2013

The following draft of amendments to the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations 2005 which it is proposed to make in exercise of the powers conferred by section 61 read with sub-section (1) of section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) is hereby published for information of all persons likely to be affected thereby, as required by sub-section (3) of section 181 of the said Act.

2. Notice is hereby given that the draft amendments will be taken into consideration on or after the expiry of fifteen days from the date of publication of this Notification in the TNERC website and that any objection or suggestion, which may be received from any person with respect thereto before the expiry of the aforesaid period will be considered by the Commission.

3. Objection or suggestion, if any, should be addressed in duplicate to the Secretary, Tamil Nadu Electricity Regulatory Commission, 19-A, Rukmini Lakshmi pathy Salai, Egmore , Chennai-600008

DRAFT AMENDMENT

In the said Regulations,-

- a) In regulation 1, for sub regulation (6), the following sub-regulation shall be substituted, namely :-

“ (6) These regulations shall apply to the co-generation, captive power plants and generation of electricity from renewable sources of energy including mini hydro projects (covered under Non-conventional sources of Energy) only to the extent to be specified by the Commission in the Tariff order or other orders issued from time to time.”

- b) For regulation 12 and entries relating thereto, the following regulations and entries relating thereto shall be substituted , namely :-

“ The Commission may direct certain categories of consumers to maintain power factor at a prescribed level and levy disincentive for maintaining below the prescribed level. “ ;

c) In regulation 15, in sub regulation (2) , for the expression “**The Tamil Nadu Electricity Board** “ , the expression “**The Licensees**” shall be substituted ;

d) For regulation 16 , the following shall be substituted, namely :-

“ The licensee shall furnish a detailed Business Plan for five years for approval by the Commission at least six months prior to submission of the MYT petition. The Business Plan shall contain projections for all activities including loss reduction, effective and tamper proof metering and the criteria for projection.”;

e) In regulation 20 , for sub-regulation (3) , the following sub-regulation shall be substituted, namely :-

“ (3) The cost of the infirm power supplied by the generators shall be calculated using the following formula and paid by the distribution licensees. The allotment of infirm power shall be made among the distribution licensees in the state in the ratio of approved total sales of each distribution licensees in the state.

$$T_i = \frac{\{G_f \times [100 \times (C_{sp} \times C_c)]\}}{(100-AUX)}$$

T_i - Tariff for infirm power in Paise/kWh

C_{sp} - All India Specific coal consumption of thermal power stations in kg/kWh as per the latest CEA report on “Performance Review of Thermal Power Stations”

AUX- All India average AUX of thermal power stations in percent as per the latest CEA report on “Performance Review of Thermal Power Stations.

C_c - Lowest landed cost of coal in any of the Power stations in Tamil Nadu in Paise/kg as approved by the Commission in its latest Tariff order.

G_f- Grid facilitation constant = 0.6 “ ;

f) regulation 24-A shall be omitted .

g) in regulation 25, in sub-regulations (2), (3), (4), (5), (6), (7) and (8) , for the expression “**4%** “, the expression “**5.72%**” shall be substituted ;

h) regulations 29, 30 and 31 shall be omitted .;

i) in Regulation 62 ,-

(i) In sub-regulation (1) , for the expression “ bay wise and for load dispatch center wise” , the expression “and substation wise. Separate petition shall be filed for the ARR of SLDC” shall be substituted ;

(ii) In sub-regulation (2), the expression “ once the data as per clause (1) are made available” shall be omitted ;

(iii) In sub-regulation 3, for clause (a), the following clause shall be substituted, namely :-

“ (a) Charges for use of network

This component of transmission tariff shall reflect cost of capital investment, maintenance and operation of a transmission system to transfer bulk power to and from different locations. The revenue from this component of transmission tariff will meet the annual revenue requirement of transmission entity in respect of owning the transmission asset.”

j) in regulation 71, in sub-regulation (2) , for the expression “The Tamil Nadu Electricity Board/Distribution licensee “ , the expression “The Licensees” .;” shall be substituted ;

k) regulation 83 shall be omitted .”

l) For Annexure, the following Annexure shall be substituted ; namely :-

“ Annexure
Depreciation Schedule

Refer to Regulation 24

SL NO	DESCRIPTION OF ASSETS	DEPRECIATION RATE (SALVAGE VALUE = 10%)
A	<i>Land owned under full title</i>	0%
B	<i>Land held under lease</i>	
(a)	for investment in land.	3.34%
(b)	for cost of clearing site	3.34%
(c)	Land for reservoir in case of hydro generating stations	3.34%

C	Assets purchased new	
(a)	Plant and machinery in generating stations including plant foundations	
(i)	Hydro-electric	5.28%
(ii)	Steam-electric NHRS and Waste Heat Recovery Boilers/Plants	5.28%
(iii)	Diesel-electric and Gas plant	5.28%
(b)	Cooling towers and circulating water systems	5.28%
(c)	Hydraulic works forming Part of hydro-electric system including	
(i)	Dams, Spillways, Weirs, Canals, reinforced concrete flumes and syphons	5.28%
(ii)	Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works	5.28%
(d)	Building and civil engineering works of a Permanent character, not mentioned above:	
(i)	Offices and showrooms	3.34%
(ii)	Containing thermo-electric generating plant	3.34%
(iii)	Containing hydro-electric generating plant	3.34%
(iv)	Temporary erection such as wooden structures	100%
(v)	Roads other than kutcha roads	3.34%
(vi)	Others	3.34%
(e)	Transformers, transformer (Kiosk) sub- station equipment and other fixed apparatus (including plant foundations)	
(i)	Transformers (including foundations) having a rating of 100 kilo volt amperes and Over	5.28%
(ii)	Others	5.28%
(f)	Switchgear, including Cable connections	5.28%
(g)	Lightning arrestors	
(i)	Station type	5.28%
(ii)	Pole type	5.28%
(iii)	Synchronous condensor	5.28%
(h)	Batteries:	
(i)	Underground Cable Including joint boxes and disconnected boxes	5.28%
(ii)	Cable duct system	5.28%
(i)	Overhead lines including supports	
(i)	Lines on fabricated steel operating at nominal voltages higher than 66 KV	5.28%
(ii)	Lines on steel supports operating at nominal voltages higher than 13.2 Kilo volts but not exceeding 66 Kilo volts	5.28%

(iii)	Lines on steel or reinforced concrete supports	5.28%
(iv)	Lines on treated wood Supports	5.28%
(j)	Meters	5.28%
(k)	Self propelled vehicles	9.5%
(l)	Air conditioning plants:	
(i)	Static	5.28%
(ii)	Portable	9.50%
(m) (i)	Office furniture and fittings	6.33%
(ii)	Office equipments	6.33%
(iii)	Internal wiring including fittings and Apparatus	6.33%
(iv)	Street light Fittings	5.28%
(n)	Apparatus let on hire:	
(i)	Other than motors	9.50%
(ii)	Motors	6.33%
(o)	Communication equipment	
(i)	Radio and higher frequency carrier system	6.33%
(ii)	Telephone lines and Telephones	6.33%
(p)	I.T equipments	15%
(q)	Any other assets not covered above	5.28%

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

**(S.BALATHANDAYUTHAPANI)
Director (Tariff)**