Amendment to the Terms and Conditions for Determination of Tariff Regulations 2005

(Notification No. TNERC/TR/5/3, dated 26-05-2021)

(Lr.No. TNERC/Legal/3505/D.No. /2021)

No. VI(2)/61/2021.

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) and all other powers enabling it in this behalf, 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.

It shall come into force on the date of publication in the Tamil Nadu Government Gazette.

AMENDMENT

In the said Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for determination of Tariff)
Regulations 2005,-

- (a) in regulation 2, in sub regulation (1) for clause (bb), the following clause shall be substituted, namely :-
- (bb) 'Operation and Maintenance Expenses' or 'O and M Expenses' mean the expenditure incurred in operation and maintenance of the generating station, or part thereof / transmission system / distribution system, including the expenditure on employee cost, repair and maintenance, administration and general expenses, consumables, overheads and fuel other than used for generation of electricity.":
 - (b) in regulation 24, to clause (vii), the following proviso shall be added namely :-

"Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.";

- (c) after regulation 28, following Regulation shall be inserted, namely :-
 - "29. Provision for bad and Doubtful Debts at duality Auffagus நடுக்கும் நடிகள்க நொகுக முற

The Commission may consider and allow a provision for bad and doubtful debts upto 1% of receivables for writing off;

Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual during the year, subject to the above ceiling or the value approved in the ARR whichever is less:

Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as miscellaneous income under the Non-Tariff Income of the year in which such revenue is realized;"

- (d) in regulation 37, after clause (vi), following clause shall be added, namely :-
- "(vii) (a) Where any of the Generating Station is directed by the State Load Despatch Centre to operate below Target plant availability factor but at or above technical minimum, such generating station may be compensated depending on the average unit loading duly taking into account the forced outages, planned outages, PLF, generation at generator terminal, energy sent out ex-bus, number of start-stop, secondary fuel oil consumption and auxiliary energy consumption, in due consideration of actual and normative operating parameters of station heat rate and auxiliary energy consumption on monthly basis duly supported by relevant data verified by SLDC.

Provided that: provided that: provided that:

(i) In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

Sr. No	Unit loading as a % of Installed Capa- city of the Unit	Increase in SHR (for supercritical units) (%)	Increase in SHR (for sub- critical units) (%)
1	85-100	NIL	NIL
2	75-84.99	1.25	2.25
3	65-74.99	2	4
4	55-64.99	3	6

(ii) In case of coal / lignite based generating stations, the following Auxiliary Energy Consumption degradation or actual, whichever is lower, shall be considered for the purpose of compensation:

SI. No	Unit loading as a % of Installed Capacity of the Unit	% Degradation in AEC admissible
1	85-100	NIL
2	75-84.99	latiqaO no.35 mai gno.
3	65-74.99	0.65
4	55-64.99	Consumer Recurity Depo

- (b) Compensation for the Station Heat Rate and Auxiliary Energy consumption shall be worked out in terms of energy charges
- (c) The compensation so computed shall be borne by the entity which has caused the plant to be operated at schedule lower than corresponding to Normative Plant Availability Factor up to technical minimum.
- (d) No compensation for Heat Rate degradation and Auxiliary Energy Consumption shall be admissible if the actual Heat Rate and / or actual Auxiliary Energy Consumption are lower than the normative Station Heat Rate and / or normative Auxiliary Energy Consumption applicable to the unit (or) the generating station.
- (e) There shall be reconciliation of the compensation at the end of the financial year in due consideration of actual operational parameters of station heat rate and auxiliary energy consumption.
- (f) No compensation for Heat Rate degradation and Auxiliary Energy Consumption shall be admissible if the actual Heat Rate and / or actual Auxiliary Energy Consumption are lower than the normative station Heat Rate and / or normative Auxiliary Energy Consumption applicable to the unit or the generating station in a month or after annual reconciliation at the end of the year";
 - (e) in regulation 68 -
 - (i) in sub-regulation (1), after clause (c), following clause (d) shall be added, namely :-
 - "(d) a wheeling charges / Network charges"
 - (ii) for sub-regulation (3) the following sub-regulation shall be substituted, namely :-
- "(3) Charges for actual electricity supplied, Fixed charges/Demand charges and Wheeling charges/Network charges are tariff related charges and the Commission shall determine these charges on an application from the Distribution licensee or on Suo-motu basis under Regulation 6(8)."
- (f) in Regulation 70, the existing items shall be numbered as sub-regulation (1) and after sub-regulation (1), as so renumbered the following sub-regulation shall be added namely:-
 - " (2) Under Regulation 6 (4) of this Tariff Regulations, every Distribution Licensee shall maintain separate accounting records towards the cost of the Distribution wires business and Retail supply business and shall prepare an Allocation Statement to enable the Commission to determine the Tariff separately:

Provided that in case complete accounting segregation has not been done between its wire Business and Retail supply business, the Aggregate Revenue Requirement of the Distribution Licensee shall be apportioned between the Distribution wire business and Retail Supply business in accordance with the following Allocation Matrix:

Particulars	Distribution Wires Business (%)	Retail Supply Business (%)	
Cost of Power purchase	0%	100%	
Inter-State Transmission Charges	0%	100%	
Intra-State Transmission Charges	0%	100%	

considered for the purpose of compensations as a % % Degradation in AEC	Wires Business	Retail Supply Business (%)
Operation & Maintenance Expenses	65%	35%
Depreciation	90%	10%
Interest on Long-term Loan Capital	90%	10%
Interest on Working Capital	10%	90%
Interest on Consumer Security Deposits	0-88 10%	90%
Income Tax muenco vmen3 visitixu A png et	90%	10%
Return on Equity	90%	10%
Other Expenses W vifine and yd a nod ad	90%	10%
Non-Tariff Income	10%	90%

The Wheeling charges / Network charges of the Distribution Licensee shall be determined by the Commission on the basis of a petition for determination of Tariff filed by the Distribution Licensee in accordance with regulations 5 and 6 or on Suo-motu basis under Regulation 6(8); and it shall be determined separately for all LT / HT consumers as applicable:

Provided that the Wheeling charges / Network charges may be denominated in terms of Rs./kWh (or) Rs./kVAh (or) Rs./kW/month (or) Rs./kVA/month for the purpose of recovery from the Distribution network user, or any such denomination as may be stipulated by the Commission."

(By Order of the Tamil Nadu Electricity Regulatory Commission)

Chennai-600 032, 28th May 2021.

S. CHINNARAJALU,
Secretary,
Tamil Nadu Electricity Regulatory Commission.

EXPLANATORY STATEMENT

It is proposed to amend the TNERC (Terms and Conditions for determination of Tariff Regulations) 2005 consistent with certain provisions of the Tariff Regulations of the Central Electricity Regulatory Commission and to provide certain other regulations considering the better norms adopted by other State Electricity Regulatory Commission and suitably fitting it to the conditions of this State.

- 2. The wheeling charges / Network charges are proposed to ensure the recovery of Distribution network cost under appropriate head from the consumers and the charges will be well covered within the total Aggregate Revenue Requirement of the Licensee.
 - 3. The amendments seek to give effect to the above proposal.

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S. CHINNARAJALU,
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STATEMENT SHOWING EXISTING PROVISION AND PROVISION AS AMENDED

version visitivus d'Existing Provision delle le anetembres de le la			Regulation as Amended		
2. Definitions	mileo ny skudu	data ve	2. Definitions		
(1) xxxx xxxx	edt b	Provide	(1) xxxx xxxx		
		(a) xxxx xxxx			
bb) 'Operation and Maintenand Expenses' means the expendent and maintenance of the general transmission system / distrib expenditure on employee cost, administration and general exp	liture incurred in op ating station, or part oution system, includ repair and maintenan	thereof ing the	(bb) 'Operation and Maintenance Expenses' or 'O and M Expenses' mean the expenditure incurred in operation and maintenance of the generating station, or part thereof / transmission system / distribution system, including the expenditure on employee cost, repair and maintenance, administration and general expenses, consumables, overheads and fuel other than used for generation of electricity.		
24. Depreciation	the call		24. Depreciation		
7150	NII. NII.	1	(i) xxxx xxxx		
	75-84.99 7.25	2	XXXX XXXX		
xxxx xxxx (vii) After the assets are fully reduced tariff shall be made a	depreciated the be	enefit of sumer.	(vii) After the assets are fully depreciated the benefit of reduced tariff shall be made available to the consumer.		
e based generating stations, gy Consumption degradation to shall be considered for the			Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.		
29. "Bad and Doubtful Debt	s"	Section	29. Provision for bad and Doubtful Debts		
% Degradation In A "battimO"	Unit loading as a find of installed		The Commission may consider and allow a provision for ba and doubtful debts upto 1% of receivables for writing of		
	Capacity of the		Provided that the Commission shall true up the bad debt		
WIL	85-100	1	written off in the Aggregate Revenue Requirement, base on the actual during the year, subject to the above ceiling		
0.35	75.84.99		or the value approved in the ARR whichever is less.		
0.65	65-74,99 55-84-99	3	Provided further that if subsequent to the write off of particular bad debt, revenue is realised from such ba		
ation Heat Rate and Auxiliary be worked out in terms of			debt, the same shall be included as miscellaneous incom- under the Non-Tariff Income of the year in which suc- revenue is realised.		
37. Norms of Operation	s-pts//	energy c	37. Norms of Operation		
(i) Target availability for rec charges)			charges)		
xxxx xxxx mummim feoin			****		
(vi) Stabilization period	impersation for Heat		(vi) Stabilization period		
admissible if XXXX XXX lead	Jonsumption shall be		****		
Energy Consumption are lower					
eat Rale and / or normative applicable to the unit or the			by the State Load Despatch Centre to operate below target plant availability factor but at or above or above technical minimum, such generating station may be compensated depending on the average unit loading duly taking into account the forced outages, planned outages, PLF, generation at generator terminal, energical		
			sent out ex-bus, number of start-stop, secondary fu oil consumption and auxiliary energy consumption,		

helyided that the salvage value for it equipment and

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due conside	erat	ion	of	actual	and	nor	mative	0	perating
parameters	of	sta	tion	heat	rate	and	auxili	ary	energy
consumption data verified	on	mo	nthly	basis	duly	sup	oorted	by	relevant
uala verilleu	Dy	SLI	DC.						

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			(e) There shall be reconciliation of the compensati	
Retail Supply Business (%)	Distribution Wires Business	Particulars	the end of the financial year in due consideration of operational parameters of station heat rate and au	
		Cost of Piliver	energy consumption.	
		purchase	(f) No compensation for Heat Rate degradation and Adenergy Consumption shall be admissible if the actual	
1909%		Inter-State Transmistion Charges	Rate and / or actual Auxiliary Energy Consumption are than the normative station Heat Rate and / or nor Auxiliary Energy Consumption applicable to the unit	
		Intra-Store Transmis on Charge	generating station in a month or after annual recond at the end of the year.	
88. Component of t	ariff for supply o	of electricity.	68. Component of tariff for supply of electricity.	
(1) The charges for thicknessee may include	e electricity supplie		(1) The charges for the electricity supplied by the Distr licensee may include:-	
(a) a fixed charges	Demand Charges		(a) xxxx xxxx	
(b) Charges for actu	al electricity suppli		(b) xxxx xxxx	
(c) a rent or other cl			(c) xxxx xxxx	
plant provided by the	e Distribution licen	see;interest on	(d) a wheeling charges / Network charges	
(2) xxxx xxxx		Consumer Security	(2) xxxx xxxx	
(3) Charges for accharges are tariff reshall determine thes Distribution licensee.	elated charges ar e charges on an	nd the Commission	(3) Charges for actual electricity supplied, Fixed of Demand charges and Wheeling charges / Network of are tariff related charges and the Commission shall de these charges on an application from the Distribution for on Suo-motu basis under Regulation 6(8).	
70. The Aggregate licensee			70. The Aggregate Revenue Requirement of Distr licensee	
The Aggregate Reve	nue Requirement of	f Distribution licensee	licensee consists of the following.	
	108PINBRY ISBUT		(i) YYYX XXXX	
xxxx xxxx		plicable.	· ·	
(x) xxxx xxxx		erW er ierli bebivo	(x) xxxx xxxx	
af recovery from			Distribution Licensee shall maintain separate ac	

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- ns, every ccounting business Allocation mine the Tariff separately:

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Interest on Working Capital	charge Molespect	90%		
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(By Order of the Tamil Nadu Electricity Regulatory Commission)

Chennai-600032, 28th May 2021.

S. CHINNARAJALU, Secretary, Tamil Nadu Electricity Regulatory Commission.