



# Tamil Nadu Electricity Regulatory Commission

**Regulations Framed by the Commission  
(as amended upto 31.3.2015)**

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# TAMIL NADU ELECTRICITY REGULATORY COMMISSION

## APPOINTMENT OF CONSULTANTS REGULATIONS, 2004 Notification No TNERC/ ACR / 3 / 2, Dated 8.1.2004

In exercise of powers conferred on it by sub section (4) of section 91 of the Electricity Act 2003 (Act 36 of 2003) the Tamil Nadu Electricity Regulatory Commission hereby makes the following Regulations. These Regulations supersede " Tamil Nadu Electricity Regulatory Commission – Appointment of Consultants Regulations 2002" published in notification No TNERC / ACR/ 3 / 1 / dated 5.7.2002 in the Gazette dated July 17, 2002.

- 1 (i) These Regulations may be called the "Tamil Nadu Electricity Regulatory Commission - Appointment of Consultants Regulations, 2004"  
(ii) These Regulations shall come into force on the date of their publication in the Tamil Nadu Government Gazette. Short title and commencement
- 2 (1) In these Regulations unless the context otherwise requires -  
(a) "Act" means, Electricity Act 2003.  
(b) "Commission" means the Tamil Nadu Electricity Regulatory Commission.  
(c) "Consultant" includes any individual, firm, body or association of persons, not in the employment of the Commission, who or which possesses or has access to any specialized knowledge, experience or skill.  
(d) "Officer" means an officer of the Commission.  
(e) "Secretary" means the Secretary of the Commission.  
  
(2) Words or expressions occurring in these Regulations and not defined herein but defined in the Act shall bear the same meaning as in the Act. Definitions
- 3 (1) Consultants will not be normally appointed for routine day to day work for which staff is available.  
(2) Consultants would be engaged for executing specialized tasks for which skills are either not available within the staff of the Commission or where the nature of job is specific and time bound.  
(3) Detailed terms of engagement will be drawn up in each case and agreed to between the Consultant and the Commission prior to award of consultancy.  
(4) The terms of engagement would specify the exact nature of the tasks to be undertaken by the Consultant, the time allowed for completion of each task and the specific outputs that are to be provided by the Consultant in relation to each task. Scope of work
- 4 Consultants will be engaged for the minimum period required. In no case will the maximum period of engagement exceed one year at a time. Period of engagement
- 5 (1) Individual consultants will be categorized into three groups based on their expertise and experience, as per the table given below:- Categorisation of Consultants

<b><u>Category</u></b>	<b><u>Minimum Professional Qualifications</u></b>	<b><u>Minimum Professional Experience</u></b>
Advisers	Ph.D or Master Degree	15 years with Ph.D or 20 years with Master Degree
Sr. Consultants	Ph.D or Master Degree	8 years with Ph.D or 15 years with Master Degree
Consultants	Ph.D. or Master or Bachelor Degree	3 years with Ph.D or 10 years with Master Degree or 15 years with Bachelor Degree
Consultant Assistant	Master or Bachelor Degree	

Note: In the case of Lawyers, Accountants and Engineers, the minimum educational qualifications will be the relevant professional qualification or its equivalent.

(2) The Commission may in appropriate case, for reasons to be recorded in writing, relax the minimum educational qualifications keeping in view the overall expertise and experience of the person being considered for engagement as Consultant in the specific area.

- 6 (1) When individuals are appointed as a Consultant for a specific purpose, a consolidated monthly payment on man-days basis or man-month basis shall be decided by the Commission depending on the merits of the individual on a case to case basis. Fees & Other Charges

(2) In the case of institutionalized consultancy works, a consolidated fee at the rates decided by the consultancy contract would be payable for each category of individual Consultant.

(3) The consultants will work with the Commission at its headquarters. Where the Consultant has to incur expenditure on official travel and stay at a place away from the normal place of duty, the Commission will reimburse DA by allowing an additional expenditure in lump sum. The number of days on which this lump sum will be payable will be determined as appropriate in each case. The cost of travel will be separately reimbursed by an appropriate class of travel as decided by the Commission.

(4) These regulations regarding fees payable will also apply to former and retired Government servants engaged as Consultants.

(5) In the case of an institutional consultant the rates for different categories of individual consultants will be used to determine the reasonableness of costs allocated to consultant time in the proposal. In addition to the costs for consultant time a maximum of 10% of the fees payable will be allowable for overheads on account of office expenditure like telephone, photocopying, fax, expenses etc. The limit for contingency in the case of institutional consultant will be 10% of the fees payable for consultant time besides the amount allowed as overhead for office expenses. Such institutional consultants shall not be eligible for any leave of absence at the cost of the Commission.

(6) Individuals who are directly appointed by the Commission as Advisers/ Consultants etc., under these regulations for specific time periods on monthly basis, shall be eligible to avail the holidays applicable to the Commission employees. They shall also be permitted one day casual leave of absence in a month. Any absenteeism over and above shall be treated as leave on loss of emolument and deduction made on pro rata basis in the respective monthly emolument.

- 7 1) Terms of Reference (TOR) for the appointment of Consultants for specific tasks will be prepared and approved by the Commission. Appointment of Consultants

(2) The Secretary will ensure that budgetary provision exists for the proposal prior to putting up the proposal for consideration by the Commission.

(3) The scope of the services described in the TOR shall be compatible with the available budget. The need for such an assignment will decide the scope of work.

(4) The Commission may decide either to invite combined technical and financial proposals or separate technical and financial proposals.

(5) The Commission will prescribe the minimum qualifying mark for the technical bid

(6) After approval of the TOR by the Commission, the Secretary will invite proposals from interested consultants, ensuring that appropriate publicity is given in each case. It will not however, be necessary to go through the process of issue of public advertisement particularly where the value of the fee is below Rs.2 lakh in each case.

8 The request for proposal shall include the following :-

Request for  
proposals

**(a)** A letter of invitation stating the intention of the Commission to enter into a contract for provision of a consulting services, the date, time and address for submission of proposals.

**(b)** Information to Consultants shall contain all necessary information that will help Consultants prepare responsive proposals by providing information on the evaluation process and by indicating the evaluation criteria and factors and their respective weights and the minimum pre-qualification score.

**(c)** Terms of reference shall be prepared to define clearly the objectives, goals and scope of the assignment and provide background information including a list of existing relevant studies and basic data to facilitate the Consultants in preparation of their proposals. If transfer of knowledge, training is an objective the TOR will detail the number of staff to be trained. TOR shall list the services and surveys necessary to carry out the assignment and the expected outputs (for example reports, data, surveys etc.) linked to each task in the TOR.

**(d)** Draft contract as per Proforma in Schedule 1.

9 (1) Enough time shall be allowed for the Consultant to prepare and submit their proposals. While the time allowed shall depend on the assignment, it will normally not be less than two weeks, during which period firms may seek clarifications about the information provided in the TOR.

receipt  
of proposal

(2) The Commission may decide to extend the deadline for submission of proposals, as deemed appropriate by it.

(3) No amendments to the technical or financial proposals shall be accepted after the deadline except before a negotiating committee appointed by the Commission. The proposals shall be submitted in sealed cover. Where the Commission prescribes that separate technical and financial proposals are to be submitted, they shall be furnished in separate sealed envelope.

10 Proposals will be evaluated both on the basis of quality as well as cost. Where the Commission decides that proposals are to be evaluated separately on technical and financial basis, the evaluators of the technical proposal shall not have access to the financial proposals, until the technical evaluation is completed.

Evaluation  
of  
proposals

11 (1) Technical evaluation will be done by a committee nominated by the Commission taking into account the following criteria. Each criterion shall be marked on a scale of 1 to 100 and then the marks for each criteria shall be weighted to become average technical scores. Weights in the following ranges will be used by the technical committee with the approval of the Commission to calculate the weighted average technical score for each proposal :-

Technical  
Evaluation

<u>Criterion</u>	<u>Range of Weights</u>
The Consultants relevant experience for the assignment	0.10 to 0.20
The quality of the methodology proposed	0.20 to 0.50
The qualifications of the key staff proposed	0.60 to 0.30
The extent of transfer of knowledge to the staff of the Commission	0.10 to 0.00

Note: The mix of weights approved by the Commission must total to 1

(2) Where the assignment depends critically on the performance of the key staff, the proposal shall be evaluated on the qualifications of the individuals proposed to be appointed using the following criteria:-

(a) *General qualifications*: General education and training, length of experience, positions held, time with the consulting firm as staff, experience in developing countries etc.

(b) *Adequacy for the assignment*: Education, training, experience in the specific sector, field, subject and relevance to the particular assignment.

(c) *Regional Experience* : Knowledge of the administrative system, organization and culture at the local / regional level.

(3) After the technical evaluation is completed the Commission shall inform those Consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the terms of reference and their financial proposals will be returned unopened after completing the selection process. Simultaneously, those Consultants who have secured the qualifying marks shall be informed about the date and time for opening the financial proposals giving sufficient time for the Consultants to be present at the opening should they so desire.

- 12 (1) The financial proposals of the pre-qualified Consultants will be opened publicly. The proposed prices shall be read aloud and recorded by minutes of the public opening.

Financial  
Evaluation

(2) The Secretary will cause a review of the financial proposals to be done. Arithmetical errors will be corrected. The cost will be converted to a single currency using uniform selling (exchange) rates.

(3) The proposal with lowest cost will be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices.

e.g. Financial Score of Firm A =  $100 \times LP / (QP)_A$

where LP = Lowest Price and

QP = Quoted Price of firm 'A'

<p>13 (1) The total score shall be obtained by weighting the technical and financial scores and adding them. The weight for the financial score shall be as prescribed by the Commission in each case taking into account the complexity of the assignment and the relative importance of quality. However, the weight will never exceed 0.3 for the financial score in any case.</p> <p>(2) The Commission may appoint a negotiating committee to enter into both technical and financial negotiations. Financial negotiations can be entered into for any aspect of the financial proposal including the unit rates for staff months, contingency amounts; lump sum reimbursement of travel and living expenses and payment terms.</p> <p>(3) The Commission may reject all proposals if they are found to be unresponsive or unsuitable either because they represent major deficiencies in complying with the TOR or they involve cost substantive higher than the original estimate or for any other reasons to be recorded in writing.</p>	<p>Evaluation of financial and technical scores</p>
<p>14 Single source selection shall be used only in exceptional cases where it is appropriate and represents a clear advantage because the tasks represent a natural continuation of previous work carried out by the Consultant, or where a rapid selection is essential, or for very small assignments on individual basis where the fee payable does not exceed Rs.2 lakhs in each case or where only one firm or an individual is qualified or has experience for the assignment.</p>	<p>Single source selection</p>
<p>15 (1) Individual Consultants will be employed for assignments for which teams of personnel are not required, no additional outside (home office) professional support is required and where the experience and qualifications of the individual are the paramount requirement .</p> <p>(2) Individual Consultants will be selected on the basis of their qualifications for the assignment. They may be selected on the basis of references or through comparison of qualifications among those expressing interest in the assignment or approached directly by the Commission. Capability will be judged on the basis of academic background, experience and as appropriate - knowledge of local conditions, administrative system and government organization.</p>	<p>Selection of individual consultants</p>
<p>16. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients or that may place them in a position of not being able to carry out the assignments objectively and impartially.</p>	<p>Conflict of interest</p>
<p>17. Nothing in these provisions shall bar the Commission from adopting a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure prescribed in the regulations.</p>	<p>Saving of inherent power of the Commission</p>
<p>18. The Commission may at any time and on such terms as it may think fit amend any provisions of these Regulations for the purpose of meeting the objectives with which these Regulations have been framed.</p>	<p>General power to amend</p>
<p>19. If any difficulty arises in giving effect to any of the provisions of these Regulations the Commission may, by general or special order, do anything not being inconsistent with the provisions of the Act which appears to it to be necessary or expedient for the purpose of removing the difficulties.</p>	<p>Power to remove difficulties</p>

## **SCHEDULE I**

ARTICLES OF AGREEMENT made on this \_\_\_\_\_ day of \_\_\_\_\_ of year two thousand BETWEEN \_\_\_\_\_ of \_\_\_\_\_ of the one part and the Tamil Nadu Electricity Regulatory Commission (herein after called "the Commission") of the second part.

WHEREAS the Commission has engaged the party of the first part as a Consultant and the party of the first part has agreed, to provide the consultancy services to the Commission, on the terms and conditions hereinafter contained.

NOW THESE PRESENTS WITNESS and the parties hereto respectively agree as follows:

1. The party of the first part shall submit himself to the orders of the Commission and of the officers and authorities under whom he may from time to time be placed by the Commission
2. The party of the first part shall complete the assignment as contained in Annexure within a period of \_\_\_\_\_ commencing from \_\_\_\_\_
3. The party of the first part shall be paid as under :
4. The schedule of payments shall be as under :
5. No TA/DA shall be admissible to the party of the first part for local journeys in connection with the consultancy assignment.
6. The party of the first part shall not disclose to any unauthorized person any information and data that may be supplied to him by the Commission or by any other organization, under the directions of the Commission. All such documents shall be the property of the Commission or any information that may have come to his knowledge directly or indirectly by virtue of the assignment
7. The party of the first part undertakes that this assignment shall not be in conflict with his prior or current obligation to other clients nor shall it place him in a position of not being able to carry out the assignments objectively and impartially
8. In case of any default on the part of the party of the first part in completion of the work within the time schedule agreed to between the parties as herein above, the Commission shall be at liberty to get the work completed from any other agency at the risk and cost of the party of the first part.
9. In case of any differences or disputes between the parties arising out of this Agreement, it shall be referred for arbitration of a person nominated by the Commission. The proceedings shall be subject to the Arbitration and Conciliation Act 1996, as amended from time to time.



**10.** The payment of fee to the party of first part shall be made by the Commission after the deduction of tax at source in accordance with law for the time being in force.

**11.** The Commission reserves its right to foreclose, terminate or cancel the engagement of the Consultant without assigning any reasons. In such cases party of the first part shall be paid remuneration after taking into consideration the part of work completed prior to such foreclose, termination or cancellation of the engagement as may be decided by the Commission, and the decision of the Commission shall be conclusive and binding. The remuneration so fixed and paid shall be deemed to be the final payment in such cases.

**12.** In respect of any matter for which no provision has been made in this agreement, the provisions contained in the general instructions of the Government on the subject of engagement of consultants shall apply.

In witness whereof the party of the first part and \_\_\_\_\_ to the Commission on behalf of the Commission have hereto put their hands the day and the year first above written.

Signed by \_\_\_\_\_ the party of the first part in the presence of \_\_\_\_\_

Signed by \_\_\_\_\_ the said to the Commission for and on behalf of the Commission in the presence of \_\_\_\_\_

# Conduct of Business Regulations, 2004

## Principal Regulations and Amendments

- (i) Notification No. TNERC/CBR/1/2 dated 8.1.2004
- (ii) Notification No. TNERC/CBR/1-1, dated 9.4.2013

In exercise of the powers conferred on it by section 181 of the Electricity Act 2003 (Act No.36 of 2003) and all powers enabling it in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following Regulations. These Regulations supersede "Tamil Nadu Electricity Regulatory Commission (Conduct of Business) Regulations, 2002" published in Notification No. TNERC/CBR/1/1 dated 5.7.2002 in the Gazette dated July 17, 2002 of Government of Tamil Nadu.

## CHAPTER I

### GENERAL

1 (1) These Regulations may be called the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004

Short Title,  
Commencement &  
Extent

(2) The object of these Regulations is to establish procedures in regard to the transaction of business with regard to the Commission.

Definitions

(3) They shall come into force on the date of their publication in the Tamil Nadu Government Gazette.

(4) They extend to the entire State of Tamil Nadu.

2 (1) In these Regulations, unless the context otherwise requires;

(a) 'Act' means the Electricity Act, 2003 (Act 36 of 2003) ;

(b) 'Commission' means the Tamil Nadu Electricity Regulatory Commission;

(c) 'Chairperson' means the Chairperson of the Tamil Nadu Electricity Regulatory Commission;

(d) 'Member' means a Member of the Tamil Nadu Electricity Regulatory Commission ;

(e) 'Secretary' means the Secretary of the Tamil Nadu Electricity Regulatory Commission;

(f) 'Officer' means an officer of the Commission;

(g) 'Petition' means and includes all petitions, applications, complaints, appeals, replies, rejoinders, supplemental pleadings, other papers and documents filed before the Commission

(h) 'Proceedings' shall mean and include proceedings of all nature such as hearings, meetings, discussions, deliberations, enquiries, investigations, consultations etc., that the Commission may hold in the discharge of its functions under the Act ;

(i) 'Specified number of copies' means five copies or such number of copies as may be prescribed by the Commission ;

(j) 'Fee' means a fee payable to the Commission for the services rendered , which will be fixed by the Commission for different types of services ;

(k) ' Designated officer' means an officer of the Commission designated for the specific purpose;

(l) ' Board' means Tamil Nadu Electricity Board or any of its successor entities ;

(2) Words or expressions occurring in these Regulations and not defined herein but defined in the Electricity Act, 2003 shall bear the same meanings assigned to them in that Act.;

(3) The original Regulations will be in English and they will be translated in Tamil . In case of difference in interpretation of Regulations in Tamil version, the original Regulation in English version will stand.

3 (1) The place of the offices of the Commission may from time to time be specified by the Commission, by an order made in that behalf.

(2) Unless otherwise directed, the headquarters and other offices of the Commission shall be open daily except on Saturdays, Sundays and holidays notified by the Government of Tamil Nadu. The headquarters and other offices of the Commission shall be open at such times as the Commission may direct from time to time.

(3) When the last day for doing of any act falls on a day on which the office of the Commission is closed and by reason thereof the act cannot be done on that day, it may be done on the next day on which the office is open.

(4) The Commission may hold sittings for transacting its business at the headquarters or at any other place on days and time to be specified by the Commission.

4 (1) The proceedings of the Commission shall be conducted in English or Tamil if permitted by the Commission.

Language of  
the  
Commission

(2) The petitions, documents or other matters contained in any language other than English or Tamil shall be accepted by the Commission only if the same is accompanied by a translation thereof in English.

(3) Any translation which is agreed to by the parties to the proceedings or which any of the parties may furnish with a certificate of the person who had translated the same to English, may be accepted by the Commission as a true translation. The Commission, in appropriate cases may insist for translation in English of the said documents by an

Officer or person designated by the Commission for the purpose.

5 (1) The Commission shall have a seal of its own. The impression of the seal shall be certified and kept on record of the Commission.

Commission to  
have a seal of  
its own

(2) Every order or communication made, notice issued or certified copy granted by the Commission shall be stamped with the seal of the Commission and shall be certified by an officer designated for the purpose.

6 As provided in section 169 of the Act, the Chairperson, Members, officers and other employees of the Commission shall be deemed, when acting or purporting to act in pursuance of any of the provisions of the Act to be public servants within the meaning of section 21 of the Indian Penal Code .

7 As provided under section 168 of the Act, no suit, prosecution or other legal proceedings shall lie against the Commission or the officers of the Commission for anything done or in good faith purporting to be done under the Act or these regulations.

Protection of  
action taken in  
good faith

8 (1) The Commission shall have the power to appoint Secretary, officers and other employees for discharging various duties. It may also prescribe the qualifications, experience and other terms and conditions for the appointment of such officers and other employees.

Officers of the  
Commission

(2) The Commission may appoint Consultants to assist the Commission in the discharge of its functions.

9 (1) The Secretary is the Principal Officer of the Commission and shall perform such functions as are assigned to him by these Regulations or otherwise by the Commission or the Chairperson

Secretary of  
the  
Commission

(2) In particular and without prejudice to the generality of the above provisions, the Secretary shall have the following powers and perform the following duties namely :

(a) He shall have the custody of the seal and records of the Commission;

(b) He shall receive or cause to receive all petitions, applications or references on behalf of the Commission.

(c) He shall prepare or cause to be prepared briefs and summaries of all pleadings before the Commission in the discharge of its function in this regard and that such summary shall indicate the names of the parties and the relief sought in verbatim without going into the merits of the pleading.

(d) He shall assist in the proceedings conducted by the Commission;

e) He shall issue certified copies of the order passed by the Commission.

(f) He shall ensure compliance of the orders passed by the Commission as stated in Regulation 54 of these Regulations.

(g) He shall have the right to collect from the Government or other offices, companies and firms or any other party as may be directed by the Commission, such information as may be

considered useful for the purpose of efficient discharge of the functions of the Commission under the Act and place the information before the Commission.

(h) He shall prepare the minutes of the meetings of the Commission and record the decisions of the Commission the minutes book to be kept for the purpose.

(3) The Secretary may, with the approval of the Commission, delegate to any other officer of the Commission any function required by these Regulations or otherwise, to be exercised by the Secretary.

(4) In the absence of the Secretary, such other officer of the Commission, as may be designated by the Chairperson, may exercise all the functions of the Secretary.

(5) The Chairperson may delegate to the officers such functions including functions that may be required by these Regulations to be performed by the Secretary on terms and conditions to be specified for the purpose.

(6) The Commission shall at all times have the authority, either on an application made to it by any interested or affected party or suo motu to entertain, review, revoke, revise, modify, amend, alter or otherwise change any order passed or action taken by the Secretary or the officers of the Commission, if the Commission considers the same to be appropriate.

10 An advisory committee shall be constituted in accordance with the provisions of Section 87 of the Act. This committee shall conduct its business in line with the State Advisory Committee Regulations to achieve the objects as specified under section 88 of the Act.

Advisory  
Committee

## **CHAPTER II**

### **PROCEEDINGS BEFORE THE COMMISSION**

11 (1) The Commission may from time to time hold such proceedings as it may consider appropriate in the discharge of its functions under the Act. The Commission may appoint an officer or any other person whom the Commission considers appropriate to represent the matter as Commission's representative in the proceedings.

Proceedings  
before the  
Commission

(2) All matters which the Commission is required under the Act to undertake and discharge through hearings of the affected parties and such other matter as the Commission may consider appropriate shall be done through proceedings.

(3) All other matters may be decided by the Commission administratively through the meeting of the Chairperson and Members or by such other officers or persons to whom the powers and functions have been delegated.

12 Except for initial procedural issues like notices, filing of copies and documents, the quorum of the Commission shall be two among the three members. For all initial procedural issues, the quorum may be one member.

Quorum

13 Conduct of proceedings in the absence of Chairperson shall conform to the provisions in section 92(2) of the Act, which reads as " The Chairperson or if he is unable to attend a meeting of the Appropriate Commission, any other Member nominated by the Chairperson in this behalf and, in the absence of such nomination or

Conduct of  
proceedings  
in the  
absence of  
Chairperson

where there is no Chairperson, any Member chosen by the Members present from amongst themselves shall preside at the meeting”

14 The decision of the Commission shall be through majority of votes as provided in section 92(3) of the Act which reads as “ All questions which come up before any meeting of the Appropriate Commission shall be decided by a majority of votes of the Members present and voting and in the event of an equality of votes, the Chairperson or in his absence, the person presiding shall have a second or casting vote.”

Decision  
through majority  
of votes

15 A person may authorise an advocate or a member of any recognised professional body as the Commission may from time to time specify, to represent him and act and plead on his behalf before the Commission. The person may appear himself or may authorise any of his employees or an agent to appear before the Commission and to act and plead on his behalf. The Commission may, from time to time, specify the terms and conditions subject to which a person may authorise any other person to represent him and act and plead on his behalf.

Authority to  
represent

16 (1) The Commission may initiate any proceedings suo motu or on a petition filed by any affected or interested person.

Initiation of  
proceeding

(2) When the Commission initiates the proceedings, it shall be by a due notice issued by the Commission. The Commission may give such orders and directions as may be deemed necessary, for serving of notices to the affected parties; for the filing of replies and rejoinders against or in support of the petition in such form as the Commission may direct. The Commission may, if it considers appropriate, issue orders for publication of the petition inviting comments from the public or any class of persons on the issue involved in the proceedings in such form as the Commission may direct.

(3) While issuing the notice of inquiry the Commission may, in suo motu proceedings and other appropriate cases, designate an officer of the Commission or any other person whom the Commission considers appropriate to present the matter in the capacity of a petitioner in the case.

17 All petitions to be filed before the Commission shall be typewritten or printed neatly and legibly on one side of white paper and every page shall be consecutively numbered. The contents of the petition shall be divided appropriately into separate paragraphs which shall be numbered serially. The petition shall be accompanied by such authenticated documents, listed serially and marked as Annexures alphabetically in capital letters along with supporting data and statements.

Petitions &  
Pleadings  
before the  
Commission

18 The general heading in all petitions before the Commission shall be in Form 1 (Annexure 1)

General  
Headings

19 (1) Petitions or objections or counters filed shall be verified by an affidavit and every such affidavit shall be in Form 2 (Annexure 2)

Affidavit in  
Support

(2) Every affidavit shall be drawn up in the first person and shall state the full name, age, occupation and address of the deponent and the capacity in which he is signing and shall be signed and sworn before a person lawfully authorised to take and receive affidavits.

(3) Every affidavit shall clearly and separately indicate statements which are true to the

- a. belief of the deponent.
- b. knowledge of the deponents and
- c. Information received by the deponent.

(4) Where any statement in the affidavit is stated to be true to the information received by the deponent the affidavit shall also disclose the source of the information and a statement that the deponent believes that information to be true.

20 (1) All petitions shall be filed with specified number of copies and each set of the petition shall be complete in all respects. The fees as may be prescribed by the Commission shall be payable along with the petition.

Presentation on  
the scrutiny of the  
pleadings etc.,

(2) All petitions shall be presented in person or by any duly authorised agent or representative at the headquarters or such other filing centre or centres as may be notified by the Commission from time to time and during the time notified. The petitions may also be sent by registered post with acknowledgement due to the Commission at the place mentioned above. The Vakalatnama in favour of the Advocate and in the event the petitions are presented by the authorised agent or representative the document authorising the agent or representative shall be filed along with the petition, if not already filed on the record of the case.

(3) Upon the receipt of the petition, the designated officer ( the officer of the Commission designated for the purpose) shall acknowledge the receipt by stamping and endorsing the date of its receipt / presentation and shall issue an acknowledgement. In case the petition is received by registered post, the date on which the petition is actually received at the office of the Commission shall be taken as the date of the presentation of the petition.

(4) The presentation and receipt of the petition shall be duly entered in the register maintained for the purpose by the office of the Commission.

The designated officer may decline to accept any petition which does not conform to the provisions of the Act or the Regulations or directions given by the Commission or

otherwise defective or which is presented otherwise than in accordance with the Regulations or directions of the Commission. Provided no petition shall be refused for defect in the pleadings or in the presentation, without giving an opportunity to the person filing the petition to rectify the defect within the time which may be given for the purpose. The designated officer shall advise in writing the person filing the petition of the defects in the petition filed and it shall be the responsibility of the person filing the petition / application to rectify the discrepancies pointed out by the designated officer within the prescribed time.

(6) A person aggrieved by any order of the designated officer in regard to the presentation of the petition may request the matter to be placed before the Secretary of the Commission for appropriate orders.

(7) The Chairperson or any Member designated by the Chairperson for the purpose, shall be entitled to call for the petition presented by the party and give such directions regarding the presentation and acceptance of the petition as considered appropriate. 8) If after scrutiny, the petition is accepted by the Secretary or by the Chairperson or the Member of the Commission, the petition shall be duly registered and given a number in the manner to be specified by the Commission. Petition thus registered shall be placed before the Commission for admission.

(9) The Commission may admit the petition for hearing without requiring the attendance of the party. The Commission shall not, pass an order refusing admission without giving the party concerned an opportunity of being heard. The Commission may also desire to hear the respondents.

(10) If the Commission admits the petitions, it may give such orders and directions, as may be deemed necessary, for service of notices to the respondent and other affected or interested parties for the filing of replies and rejoinder in opposition or in support of the petition.

(11) The Commission while ordering notice/publication shall determine dates for:

- a. filing counter or objections
- b. rejoinders if any to the counters or objections.
- c. Hearing on the pleadings.

(5) The respondents and or third parties shall file their respective counters or objections on or before the specified dates, after serving a copy on the other parties to the proceedings.



21 (1) Any notice or process to be issued by the Commission may be served under any one or more of the following ways.

- a. Service by any of the parties to the proceedings as may be directed by the Commission;
- b. By hand delivery through a messenger, duly acknowledged;
- c. By registered post with acknowledgement ;
- d. By publishing in newspaper in cases where the Commission is satisfied that it is not reasonably practicable to serve the notices, processes, etc., on any person in the manner mentioned above;
- e. In any other manner as considered appropriate by the Commission.

(2) The Commission shall be entitled to decide in each case, the persons who shall bear the cost of such service / publication .

(3) Every notice or process required to be served on or delivered to any person may be sent to the person or his agent empowered to accept service at the address furnished by him or at the place where the person or his agent ordinarily resides or carries on business or personally works.

(4) In the event, when any matter is pending before the Commission and the person to be served has authorised an agent or representative to appear for or represent him in the matter, such agent or representative shall be deemed to be duly empowered to take service of the notices and processes on behalf of the party concerned in all the matters and the service on such agent or representative shall be taken as due service on the person to be served.

(5) Where a notice is served by a party to the proceedings either in person or through registered post, an affidavit of service shall be filed by such party with the Commission giving details of the date and manner of service of notices and processes.

(6) Where any petition is required to be published, it shall be done so within such time as the Commission may direct and unless otherwise directed by the Commission, in one issue each of a daily newspaper in the English Language and one newspaper in Tamil language having wide circulation in the area specified by the Commission.

(7) In default of compliance with the requirements of the Regulations or directions of the Commission as regards the service of notices, summons or processes or the advertisement and publication thereof, the Commission may either dismiss the petition or give such other further directions as it thinks fit.

(8) No service or publication required to be done shall be deemed invalid by reason of any defect in the name or description of a person provided that the Commission is satisfied that such service is in other respects sufficient. No proceeding shall be invalidated by reason of any defect or irregularity unless the Commission, on an objection taken, is of the opinion that substantial injustice has been caused by such defect or irregularity or there are otherwise sufficient reasons for doing so.

22 (1) Where any application, petition or other matter is required to be published under the Act or as per these Regulations or as per the directions of the Commission, it shall unless the Commission otherwise orders or the Act or any other Regulations made by the commission other than these Regulations otherwise provide, be advertised not less than seven days before the date fixed for hearing.

Publication  
of  
petition

(2) Except as otherwise provided, such advertisements shall give a heading describing the subject matter in brief.

(3) Such advertisement to be published shall be approved by the officer of the Commission designated for the purpose.

23 (1) Each person to whom the notice of enquiry or the petition is issued (hereinafter called the respondent) who intends to oppose or support the petition, shall file the reply and the authenticated documents relied upon within such period and with specified number of copies as may be fixed by the Commission. In the reply filed, the respondent shall specifically admit, deny or explain the facts stated in the notice of inquiry or the petition and may also state such additional facts as he considers necessary for proper adjudication of the case. The reply shall be signed and verified and supported by affidavit in the same manner as in the case of the petition. The respondent shall also indicate in the reply whether he wishes to participate in the proceedings and be heard in person.

Filing of reply,  
objection etc..

(2) The respondent shall serve a copy of the reply along with the documents duly attested to be true copies on the petitioner or his authorised representative and file proof of such service with the Commission at the time of filing the reply.

(3) Where the respondent states additional facts as may be necessary for the decision of the case, the Commission may allow the petitioner to file a rejoinder to the reply filed by the respondents. The procedure mentioned above for filing of the reply shall apply mutatis mutandis to the filing of the rejoinder.

(4) Every person who intends to file objection or comments in regard to a matter pending before the Commission pursuant to the advertisement and publication made for the purpose (other than the persons to whom notices, processes, etc., have been issued calling for reply) shall deliver to the designated officer, the statement of the objection or comments with copies of the authenticated documents and evidence in support thereof within the time fixed for the purpose as per Clause 11 of Regulation 20.

24 (1) The Commission may determine the stages, manner, the place, the date and the time of the hearing of the matter as considered appropriate.

Hearing of the matter

(2) The Commission may decide the matter on the pleadings of the parties or may call for evidence from the parties by way of affidavit or lead oral evidence in the matter.

(3) If the Commission directs evidence of a party to be led by way of affidavit, or oral submission, the Commission may, if, considered to be necessary, or expedient, grant an opportunity to the other party to cross-examine the persons giving the evidence.

(4) The Commission may, if considered necessary or expedient, direct that the evidence of any of the parties be recorded by an officer or person designated for the purpose by the Commission.

(5) The Commission may permit such person or persons including associations, forums and bodies corporate as it may consider appropriate to participate in the proceedings before the Commission, if the Commission considers that the participation of such person or persons will facilitate the proceedings and the decision in the matter.

(6) The Commission may direct the parties to file written note of arguments or submissions in the matter.

25 Powers of the Commission to call for further information, evidence etc., shall be governed by the provisions of section 94(1) of the Act which reads as “ The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 for the following matters namely :

Hearing of the Powers of the Commission to call for further information.

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) discovery and production of any document or other material object producible as evidence;

(c) receiving evidence on affidavits;

(d) requisitioning of any public record

(e) issuing commission for the examination of witnesses;

(f) reviewing its decisions, directions and orders;

(g) any other matters which may be prescribed.”

26. The powers of entry and seizure shall be governed by the provisions of section 96 of the Act which reads as “The Appropriate Commission or any officer, not below the rank of a gazetted officer specially authorised in this behalf by the Commission, may enter any building or place where the Commission has reason to believe that any document relating to the subject matter of the inquiry may be found, and may seize any such document or take extracts or copies therefrom subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, in so far as it may be applicable”

Powers of entry  
& seizure  
evidence etc.,  
petition

27 (1) At any stage of the proceedings the Commission shall be entitled to refer such issue or issues in the matter as it considers appropriate to persons including but not limited to, the officers and consultants of the Commission whom the Commission considers as qualified to give expert or specialised advice or opinion.

(2) The Commission may nominate from time to time any person including, but not limited to, the officers and consultants to visit any place or places for inspection and report on the existence or status of the place or any facilities therein.

(3) The Commission, if it thinks fit, may direct the parties to appear before the persons designated in clause (1) or (2) above to present their respective views on the issues or matters referred to.

(4) The report or the opinion received from such person shall form a part of the record of the case and the parties shall be given the copies of the report or opinion given by the person designated by the Commission. The parties shall be entitled to file their version either in support or in opposition to the report or the opinion.

(5) The Commission shall duly take into account the report or the opinion given by the person and the reply filed by the parties while deciding the matter and if considered necessary, the Commission shall examine the person giving the report or the opinion.

The Commission shall however not be bound by the report or the opinion given as conclusive.

28 (1) Where, on the date fixed for hearing or any other date to which such hearing may be adjourned, any of the party or his authorised agent or representative does not appear when the matter is called for hearing, the Commission may, in its discretion, either dismiss the petition for default when the petitioner or the person who moves the Commission for hearing is absent or proceed ex-parte against the party failing to appear and hear and decide the petition.

Procedure to  
be followed  
where any  
party does not  
appear

(2) Where a petition is dismissed in default or decided ex-parte, the person aggrieved may file an application within 30 (thirty) days from the date of such dismissal or being

proceeded ex-parte, as the case may be, for recall of the order passed, and the Commission may recall the order on such terms as it thinks fit, if the Commission is satisfied that there was sufficient cause for the non-appearance when the petition was called for hearing.

29 (1) Where in any proceedings, any of the parties to the proceedings dies or is adjudicated as an insolvent or in the case of a Company under liquidation/winding up, the proceedings shall continue with the successors-in-interest, the executor, administrator, receiver, liquidator or other legal representative of the party concerned.

Continuance of proceedings after death, etc.,

(2) The Commission may, for reasons to be recorded, treat the proceedings as abated in case the Commission so directs and dispenses with the need to bring the successors-in-interest etc., on the record of the case.

(3) In case any person wishes to bring on record the successors-in-interest etc., the application for the purpose shall be filed within 90 days or within the time fixed by the Commission in each specific case from the event requiring the successors-in-interest to come on record.

30 The proceedings before the Commission shall be open to the public. However, admission to the hearing room shall be subject to availability of sitting accommodation ;

Proceedings to be opened to public

Provided that the Commission, if it thinks fit and for reason to be recorded in writing, order at any stage of the proceedings of any particular case that the public generally or any particular person or group of persons shall not have access to or remain in the room or building used by the Commission.

31 (1) On conclusion of hearing of the case before the Commission, the Commission shall pronounce the orders in the open court or soon thereafter as may be practicable on some future day. In the later case when the Commission fixes a future day for pronouncing the orders, due notices intimating the date shall be served on the concerned parties.

Orders of the Commission

(2) The order shall be dated and signed by the Commission at the time of pronouncing it. Such orders shall not be, afterwards, altered or added to unless and except there is any clerical or arithmetical errors arising therein from any oversight or omission.

(3) The order shall contain statement and counter statement of facts in brief, the points or issues for determination , the decision thereon and the reasons for such decision. This will include dissenting conclusion, if any, as specified in sub

section(4).

(4) While giving the orders after hearing, if the Chairperson or any Member of the Commission dissents, he shall give his dissenting conclusion with reasons. The orders of the Commission shall be based on majority view of the Commission as per section 14 of these Regulations.

(5) All orders and decisions issued or communicated by the Commission shall be certified by the signature of the Secretary or an officer empowered in this behalf by the Commission and bear the official seal of the Commission.

<sup>1</sup>[(6) All orders of the Commission shall be communicated to the parties in the proceedings under the signature of the Secretary or an officer empowered in this regard by the Commission within seven days from the date of making of the order by the Commission]<sup>1</sup>

32. The Commission may pass interim orders as considered appropriate at any stage of the proceedings. It may also do so when such interim orders are sought for by the concerned parties.

33 (1) Subject to such conditions and limitation as may be directed by the Commission , the cost of and incidental to all proceedings shall be awarded at the discretion of the Commission and the Commission shall have full power to determine by whom or out of what funds and to what extent such costs are to be paid and give all necessary directions for the aforesaid purposes.

Recovery of  
Cost

(2) The costs shall be paid within 30 (thirty) days from the date of the order or within such time as the Commission may, by order, direct. The order of the Commission awarding costs shall be executed in the same manner as the decree/order of a Civil Court.

(3) The Commission may recover any cost or penalty imposed by it on any party or parties to any proceedings, as land revenue in the event of any default committed by such party or parties, within the time specified by the Commission.

34 (1) Records of every proceeding shall be open, as a matter of right, to the inspection of the parties or their authorised representatives at any time either during the proceedings or after the orders are passed, subject to payment of fee and complying

Inspection of  
Records &  
Supply of  
Certified  
copies

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<sup>1</sup> Substituted in Notification No.TNERC/CBR/1-1, dated 9.4.2013.

with other terms, the Commission may direct.

(2) Records of every proceeding, except those parts, which, for reasons specified by the Commission, are confidential or privileged or otherwise not to be disclosed to any person, shall be open to inspection by any person other than the parties to the petition either during the proceeding or after the orders have been passed, subject to such person complying with such terms as the Commission may direct from time to time including in regard to time, place and manner of inspection and payment of prescribed fees.

(3) Any person shall be entitled to obtain certified copies of the orders, decisions, directions given by the Commission as well as the pleadings, papers and other parts of the records of the Commission to which he is entitled subject to payment of fee and complying with other terms which the Commission may direct.

35. Judicial cover for the Commission and the proceedings, as provided in section 95 of the Act reads as follows: "All proceedings before the Appropriate Commission shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Appropriate Commission shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973."

Judicial cover  
for the  
Commission  
and the  
proceedings

36 (1) In case any complaint is filed before the Commission by any person or if the Commission is satisfied that any person has contravened any directions issued by the Commission, rules or Regulations made thereunder, the Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed rupees one lakh for each contravention and in case of a continuing failure, with an additional penalty which may extend to rupees six thousand for every day during which the failure continues after contravention of the first such direction.

Punishment  
for non  
compliance of  
directions  
given by the  
Commission

(2) Any amount payable under this section, if not paid, may be recovered as if it were an arrear of land revenue.

37. With respect to the provisions regarding offences by companies, section 149 of the Act governs them and reads as:

"(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of having committed the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence

(2) Notwithstanding anything contained in sub section (1) , where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager , secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Explanation - For the purposes of this section,-

(a) 'company' means a body corporate and includes a firm or association of individuals ; and

' director' in relation to a firm, means a partner in the firm.

38 In accordance with section 193 of the Indian Penal Code, 1860, whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates false evidence for the purpose of being used in any of the proceedings shall be punishable with imprisonment of either description for a term which may extend to seven years and shall also be liable to fine.

Punishment for false evidence.

39 (1) In accordance with section 228 of the Indian Penal Code, 1860, whoever intentionally offers any insult or causes any interruption in any of the proceedings of the Commission shall be punishable with simple imprisonment for a term which may extend to six months or with fine which may extend to Rs. 1000/- or with both.

Punishment for insult, interruption

(2) Whoever intentionally offers any insult or causes any interruption in the presence of the Commission shall be punishable in accordance with section 345 of the Criminal Procedure Code, 1974.

### **CHAPTER - III**

#### **INVESTIGATION OF CERTAIN MATTERS, ORDERS FOR SECURING COMPLIANCE AND PROCEDURE FOR ISSUING DIRECTIONS**

40. Section 128 of the Act provides for the investigation of certain matters and reads as:

Investigation of certain matters

“ (1) The Appropriate Commission may, on being satisfied that a licensee has failed to



comply with any of the conditions of licence or a generating company or a licensee has failed to comply with any of the provisions of this Act or the rules or regulations made thereunder, at any time, by order in writing, direct any person (hereafter in this section referred to as "Investigating Authority") specified in the order to investigate the affairs of any generating company or licensee and to report to that Commission on any investigation made by such Investigating Authority:

Provided that the Investigating Authority may, wherever necessary, employ any auditor or any other person for the purpose of assisting him in any investigation under this section.

(2) Notwithstanding anything to the contrary contained in section 235 of the Companies Act, 1956, the Investigating Authority may, at any time, and shall, on being directed so to do by the Appropriate Commission, cause an inspection to be made, by one or more of its officers, of any licensee or generating company and his books of account; and the Investigating Authority shall supply to the licensee or generating company; as the case may be, a copy of his report on such inspection.

(3) It shall be the duty of every manager, managing director or other officer of the licensee or generating company, as the case may be, to produce before the Investigating Authority directed to make the investigation under sub-section(1) or inspection under sub-section (2) , all such books of account, registers and other documents in his custody or power and to furnish him with any statement and information relating to the affairs of the licensee or generating company, as the case may be, as the said Investigating Authority may require of him within such time as the said Investigating Authority may specify.

(4) Any Investigating Authority, directed to make an investigation under subsection (1), or inspection under sub-section (2), may examine on oath any manager, managing director or other officer of the licensee or generating company, as the case may be, in relation to his business and may administer oaths accordingly.

(5) The Investigating Authority, shall, if it has been directed by the Appropriate Commission to cause an inspection to be made, and may, in any other case, report to the Appropriate Commission on any inspection made under this section.

(6) On receipt of any report under sub-section(1) or sub-section(5), the Appropriate Commission may, after giving such opportunity to the licensee or generating company, as the case may be, to make a representation in connection with the report as in the opinion of the Appropriate Commission seems reasonable, by order in writing :-

- a) require the licensee or the generating company to take such action in respect of any matter arising out of the report as the Appropriate Commission may think fit; or
- b) cancel the licence; or
- c) direct the generating company to cease to carry on the business of generation of electricity.

(7) The Appropriate Commission may, after giving reasonable notice to the licensee or the generating company, as the case may be, publish the report submitted by the Investigating Authority under sub-section(5) or such portion thereof as may appear to it to be necessary.

(8) The Appropriate Commission may specify the minimum information to be maintained by the licensee or the generating company in their books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by licensee or the generating company in that connection and all other matters incidental thereto as are, in its opinion, necessary to enable the Investigating Authority to discharge satisfactorily its functions under this section.

**Explanation:** For the purposes of this section the expression “licensee or the generating company” shall include in the case of a licensee incorporated in India all its subsidiaries formed for the purpose of carrying on the business of generation or transmission or distribution or trading of electricity exclusively outside India: and all its branches whether situated in India or outside India.

(9) All expenses of and incidental to, any investigation made under this section shall be defrayed by the licensee or the generating company, as the case may be, and shall have priority over the debts due from the licensee or the generating company and shall be recoverable as an arrear of land revenue.”

41. Section 129 of the Act provides for Orders for securing compliance and reads as : “ (1) Where the Appropriate Commission, on the basis of material in its possession, is satisfied that a licensee is contravening, or is likely to contravene, any of the conditions mentioned in his licence or conditions for grant of exemption or the licensee or the generating company has contravened or is likely to contravene any of the provisions of this Act, it shall by an order, give such directions as may be necessary for the purpose of securing compliance with that condition or provision.

Orders  
for securing  
compliance

(2) While giving direction under sub-section(I), the Appropriate Commission shall have due regard to the extent to which any person is likely to sustain loss or damage due to such contravention.”

42 Section 130 of the Act provides for procedure for issuing directions and reads as:

“ The Appropriate Commission, before issuing any direction under section 129 of the Act shall

a) serve notice in the manner as may be specified to the concerned licensee or the generating company

b) publish the notice in the manner as may be specified for the purpose of bringing the matters to the attention of persons, likely to be affected or affected.

c) consider suggestions and objections from the concerned licensee or generating company and the persons, likely to be affected, or affected.

#### **CHAPTER IV MISCELLANEOUS**

43. (1) The Commission may on its own or on the application of any of the persons or parties concerned within 30 days of the making of any decision, direction or order, review such decision, directions or orders on the ground that such decision, direction or order was made under a mistake of fact, ignorance of any material fact or any error apparent on the face of the record.

(2) An application for such review shall be filed in the same manner as a petition under Chapter II of these Regulations.

44 Any person aggrieved by an order of the Commission may file an appeal to the Appellate Tribunal for Electricity subject to the provisions under section 111 of the Act.

Appeal  
provision in  
certain  
cases

45 (1) It shall be open to the Commission to permit any Registered Association/ Forum or other bodies, corporate or any group of consumers to participate in any proceedings before the Commission.

Recognition  
for Consumer  
association

(2). It shall be open to the Commission for the sake of timely completion of proceedings, to direct grouping of the associations / forums, referred to above, so that they can make collective affidavits.

(3). The Commission may, as and when considered appropriate notify a procedure

for recognition of associations, group, forum or bodies corporate as registered consumer association for purposes of representation before the Commission.

(4). The Commission may appoint any officer or any other person to represent the interest of the consumer in general or any class or classes of consumers as the Commission may consider appropriate.

(5) The Commission may direct payment to the officer or person appointed to represent the consumers interest such fees, costs and expense by such of the parties in the proceedings as the Commission may consider appropriate.

46 (1) Records of the Commission, except those parts which for reasons specified by the Commission are confidential or privileged, shall be open to inspection by all, subject to the payment of fee and complying with the terms as the Commission may direct.

Inspection of  
Commission  
records &  
confidentiality

(2) The Commission may, on such terms and conditions as the Commission considers appropriate, provide for the supply of the certified copies of the documents and papers available with the Commission to any person.

(3) The Commission may, by order, direct that any information, documents, other papers and materials in the possession of the Commission or any of its officers, Consultants, which are required by law or for other reasons specified to be kept confidential or privileged, shall not be available for inspection or supply of copies, and the Commission may also direct that such document, papers or materials shall not be used in any other manner except as specifically authorised by the Commission.

47. Subject to the provisions of the Act and these Regulations, the Commission may, from time to time, issue orders and directions in regard to the implementation of the Regulations and procedure to be followed and various matters which the Commission has been empowered by these Regulations to specify or direct.

Issue of orders  
& directions on  
proceedings

48. (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary.

Saving of  
inherent power  
of the  
Commission

(2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.

(3) Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no regulation have been framed, and the Commission may deal with such matters with powers and functions in a manner it thinks fit.

49. The Commission may, at any time and on such terms as to costs or otherwise, as it may think fit, amend any defect or error in any proceeding before it, and all necessary amendments shall be made for the purpose of determining the real question or issue arising in the proceedings.

General power  
to amend

50 If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, take action, for removing the same, consistent with the provisions of the Act.

Power to  
remove  
difficulty

51. The Commission shall have the power, for reasons to be recorded in writing to dispense with the requirements of any of the Regulations in a specific case or cases subject to such terms and conditions as may be specified.

Power to dispense  
with the  
requirement of the  
Regulation

52. Subject to the provisions of the Act, the time prescribed by these Regulations or by order of the Commission for doing any act may be extended (whether it has already expired or not) or abridged for sufficient reason by order of the Commission.

Extension or  
abridgement of  
time prescribed

53. Failure to comply with any requirement of these Regulations shall not invalidate any proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

Effect of non  
compliance

54. The Secretary shall ensure enforcement and compliance of the orders passed by the Commission, by the persons concerned in accordance with the provisions of the Act and Regulations and if necessary, may seek the orders of the Commission for directions.

Enforcement of  
orders past by the  
Commission

55. The provisions of these Regulations are in addition to and not in derogation of any other Regulations made by the Commission under the Act and the provisions of these Regulations shall not apply in case if any special form for petition or application etc. or any special procedure has been specified by the Commission in any other Regulations made separately by the Commission under the Act for any specific purposes mentioned in the Act.

Provisions of  
these  
Regulations to be  
in addition to and not  
in derogation  
of other  
Regulation made  
under Act

Annexure 1  
**FORM 1**  
**(See regulation 18)**

General Heading for proceedings

**BEFORE THE HONOURABLE TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

FILING NO.

CASE NO.

(To be filled by the Office)

IN THE MATTER OF:

(Gist of the purpose of the petition or application)

AND IN THE MATTER OF:

(Names and full address of the petitioner/applicants and names and full addresses of the respondent)

Details of enclosures :

(i) Form 2 ( Affidavit )

(ii)

(iii)

(iv)

Annexure 2  
**FORM 2 - Affidavit in support) (See regulation 19 (1))**

**BEFORE THE HONOURABLE TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

FILING NO.

CASE NO.

(To be filled by the Office)

IN THE MATTER OF:

(Gist of the purpose of the petition or application)

AND

IN THE MATTER OF:

(Names and full address of the petitioners/applicants and names and full addresses of the respondent)

I,        Son of -----aged----- residing at----- do solemnly affirm and say as follows :

1. I am a Director/Secretary of -----Ltd., the petitioner in the above matter and am duly authorised by the said petitioner to make this affidavit on its behalf.

2. I solemnly affirm at..... on this day of..... that

(i) the contents of the above petition are true to my knowledge and I believe that no part of it is false and no material has been concealed therefrom.

(ii) that the statement made in paragraphs..... of the petition herein now shown to me and marked with the letter 'A' are true to my knowledge and that

(iii) the statements made in paragraphs..... Marked with the letter ' B' are based on information received from ..... and I believe them to be true.

Identified before me by :

# Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman 2004

## Principal Regulations and Amendment

- (1) Notification No.TNERC/CGR&EO/6/1, Dated 08.01.2004)
- (2) Notification No.TNERC/CGR&EO/6-1, Dated 03.10.2005)
- (3) Notification No.TNERC/CGR&EO/6-2, Dated 22.02.2007)
- (4) Notification No. TNERC / CGRF&EO /6-3/ dated 05.11.2009)
- (5) Notification No. TNERC / CGRF&EO /6-5/ dated 28.11.2011)
- (6) Notification No. TNERC / CGRF&EO /6-6/ dated 22-03-2013)
- (7) Notification No. TNERC / CGRF&EO /6-7/ dated 02-11-2013)
- (8) Notification No. TNERC / CGRF&EO /6-8/ dated 25-02-2014)

In exercise of the power conferred on it by section 181 read with sub-sections (5), (6) and (7) of section 42 of The Electricity Act, 2003 (Act No: 36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission makes the following Regulations, namely:-

### PART - 1 - GENERAL

- 1 i) These Regulations may be called the “Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman, 2004”.

Short title,  
Commencement



ii) These extend to the whole of the State of Tamil Nadu.

iii) These shall come into force on 10.6.2004.

2 In these Regulations, unless the context otherwise requires:

Definitions

(a) "Act" means the Electricity Act, 2003.

(b) "area of supply" means the area within which a distribution licensee is authorized by his/her/their licence to supply electricity.

(c) "Chairperson" means the Chairperson of the forum.

(d) "Commission" means the Tamil Nadu Electricity Regulatory Commission.

(e) "complainant" means—

(i) a consumer of electricity supplied by the Licensee including applicants for new connections;

(ii) any voluntary consumer association registered under the Companies Act, 1956 (1 of 1956) or under any other law for the time being in force;

(iii) the Central Government or any State Government - who or which makes the complaint;

(iv) one or more consumers, where there are numerous consumers having the same interest;

(v) in case of death of a consumer, his legal heirs or representatives.

(f) "complaint" means any grievance made by a complainant in writing on:- (i)

defect or deficiency in electricity service provided by the licensee;

(ii) unfair or restrictive trade practices of licensee in providing electricity services;

(iii) Charging of a price in excess of the price fixed by the Commission for consumption of electricity and allied services;

(iv) Electricity services which will be unsafe or hazardous to public life in contravention of the provisions of any law for the time being in force.

(g) "consumer" means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such

other person as the case may be.

(h) "defect" means any fault, imperfection or shortcoming in the quality, quantity, purity or standard of service, equipment or material which is required to be maintained by or under any law for the time being in force or under any contract, express or implied, or as is claimed by the distribution licensee in any manner whatsoever in relation to electricity service.

(i) "deficiency" means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of supply which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by distribution licensee in pursuance of a contract agreement or otherwise in relation to electricity service or performance standard, violations of Electricity Supply Code, contraventions of Act, Rules or Regulations made thereunder with regard to consumer interest.

(j) "distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.

(k) "Electricity Ombudsman" means an authority to be appointed or designated by the Commission, under sub-clause (6) of Section 42 of the Act, with whom a representation may be made in accordance with sub-clause 17 (1) of these Regulations.

(l) In particular and without prejudice to the generality of the term the "electricity service" means electricity supply, metering, billing, maintenance of electrical energy, maintenance of distribution system and all other attendant sub service etc.

(m) "Forum" means 'forum for redressal of grievances of consumers' to be constituted by each distribution licensee in accordance with these Regulations.

(n) "Licensee" means a person who has been granted a licence under section 14 of the Act.

(o) Words and expressions used and not defined in these Regulations but defined in the Act, or the Consumer Protection Act, 1986 (68 of 1986) shall have the meanings respectively assigned to them in these Acts

## **PART-II CONSUMER GRIEVANCE REDRESSAL FORUM**

- 3 (1) Every distribution licensee shall establish a forum or forums for redressal of grievances of the consumers in accordance with these Regulations.

Constitution of  
forum(s) for  
redressal of consumer  
grievances

- (2) A licensee may establish more than one forum so as to ensure that any

consumer in the area of supply of the licensee shall not have to travel more than 100 Kilometres to submit his complaint with the forum for redressal. The concentration of the consumers in a particular area and the number of complaints expected to be received and the constraints of the forum in disposing of the complaint within the stipulated time frame may also be taken into account to determine the places and the number of forums to be established.

(3) The head office of the forum shall be at such place(s) as each distribution licensee may specify in accordance with the sub-clause 3 (2)

(4) The forum shall consist of three members to be appointed by the distribution licensee with the following composition.

(a) Chairperson of the forum shall be a full time officer of the licensee not lower in rank than the rank of Superintending Engineer.

(b) One member shall be a person with 15 to 20 years experience in financial / legal profession and shall be nominated by the District Collector of the district where the forum is head quartered.

(c) <sup>2</sup>[Another member shall be from a registered society of NGO or a consumer organization or a consumer activist and shall be nominated by the Commission.].<sup>2</sup>

(5) Every member of the forum except the Chairperson shall hold office for a term of three years and shall not be eligible for reappointment as such. Provided that no member shall hold office as such after he has attained the age of sixty two years. The person occupying the designated post of the Distribution Licensee to act as Chairperson shall be deemed to be the Chairperson of the forum

(6) The quorum of the forum shall be two among the three members, which includes the Chairperson. The post of the Members shall not be kept vacant for more than two months.

(7) The honorarium for each sitting shall be decided by the Licensee subject to approval by the Commission and TA / DA and other allowances payable to the members shall be as applicable to Class I officers of the State Government.

<sup>1</sup>[The Chairperson shall make use of his office space, secretarial staff and other facilities for efficient functioning of Forum. The members by virtue of their office shall not be entitled to claim any separate accommodation in the office premises of Chairperson or any separate secretarial staff and other facilities. The members of the forum may avail of the office premises of the Chairperson and the secretarial staff, only for the limited purpose of attending the sittings of the Forum on the days on which they are scheduled to be held and dictating the decisions of the forum to the secretarial staff appointed for the above purpose without causing any inconvenience or prejudice to the normal use of office premises and secretarial staff for discharging their normal functions.].<sup>1</sup>

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/CGR&EO/6-1 dated 03.10.2005** (w.e.f. 07.12.2005) which before substitution stood as under:

***"The office space, secretarial support and other facilities required by members for efficient functioning of forum shall be provided by the distribution licensee"***

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/CGR&EO/6-7 dated 02.12.2013** (w.e.f.25.12.2013) which before substitution stood as under:

***"Another member shall be from a registered society of NGO or a consumer***

**organization or a consumer activist and shall be nominated by the District Collector of the district where the forum is head quartered”**

(8) Notwithstanding anything contained in sub-clause 3(5), a Member ( other than the Chairperson) may relinquish his office by giving in writing to the Licensee a notice of not less than two months

(9) Notwithstanding anything contained in sub-clause 3(5), where the Commission is satisfied that in the public interest or for the reason of incapacity of any Member, it is necessary so to do, it may for reasons to be recorded in writing remove any Member from his office.

4. Subject to the other provisions of these Regulations, the forum shall have jurisdiction to entertain the complaints within the jurisdiction of the distribution licensee. If there is more than one forum in the same Licensee’s area, then the area of jurisdiction may be decided by the Licensee in accordance with sub-clause 3 (2).

Jurisdiction of the forum

- 5 The forum shall take up any kind of grievances/complaints as defined in clause 2 (f) of these Regulations. However, the consumer's grievances concerned with

Kind of grievances that can be taken up by the forum

- (i) unauthorized use of electricity as detailed u/s 126 and
- (ii) offences and penalties as detailed u/s 135 to 141 of the Electricity Act 2003 are excluded from the purview of this forum.

- 6 (1) The Licensee shall notify details such as the address, telephone numbers and email address of the Forum often in the media. The Licensee shall make available copies of the procedure for lodging complaints to the Complainants at free of cost. The applications/bills/receipts issued by the Licensee to the consumers shall contain the address of the concerned Consumer Grievance Redressal Forum and the statement **'Complainants whose grievance is not redressed by the official of the Licensee may approach the Consumer Grievance Redressal Forum'** shall also be printed on it.

(2) Every grievance to the forum must be submitted in writing to the Chairperson of the forum in the complaint format given in Annexure-I. The complaint can also be lodged through email to the respective forum’s email ID (which will be published by them widely). Such mode of complaint can be in text format with the required information and address of the complainant.

Grievance filling procedure

7. 7 (1) On receipt of the grievance from any complainant, the chairperson shall make endorsement on the grievance subscribing his dated initial. Grievances received shall be registered and serially numbered for each year.

(2) Within <sup>1</sup>[five] working days of receipt of a consumer grievance, the forum shall send an acknowledgement to the complainant. If the grievance / petition is anonymous, the same shall be rejected on receipt and placed before the forum in the next available opportunity for recording the same.

Grievance handling procedure for the forum

(3) On receipt of a complaint and following the procedure mentioned under sub-clause 7.1, the forum may, by order allow the complaint to be proceeded with or reject. Provided that the complainant shall be informed in writing if the complaint is rejected. Provided further that the admissibility of the complaint shall ordinarily be decided within 10 working days from the date on which the complaint was

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<sup>1</sup>Substituted as per Commission’s Notification No. TNERC / CGRF & EO/6-10/ dated 8.9.2014 (w.e.f.22.10.2014) which before substitution stood as under:

[seven]

received. Where a complaint is allowed to be proceeded, the forum may proceed with the complaint in the manner provided under these Regulations.

(4) A copy of the admitted complaint shall be forwarded simultaneously to the nodal officer of the concerned licensee for redressal or to file objection in writing if the licensee is not agreeable to the request of the complainant.

(5) The licensee shall furnish the para-wise comments on the grievance <sup>3</sup>[to the forum and the complainant]<sup>3</sup> within <sup>4</sup>[10]<sup>4</sup> days of receipt of the letter from the forum, failing which the forum shall proceed on the basis of the material record available. The complainant can represent himself or through a representative of his choice. Where the complainant or his representative fails to appear on the date of hearing before the forum, the forum may <sup>5</sup>[decide it on merits]<sup>5</sup>.

(6) The forum shall be entitled to call for any record of the licensee and also from the complainant in respect of the grievance received by the forum for examination and disposal of the grievances.

(7) <sup>6</sup>[ On receipt of the remarks from the licensee or otherwise, the forum shall initiate enquiry in regard to the complaint after serving a notice of the said enquiry on the complainant and the licensee concerned, mentioning "date, time and venue" of the enquiry by registered/speed post/special messenger and complete the said enquiry expeditiously and pass appropriate order on the complaint within a maximum period of fifty days from the date of receipt of complaint by the forum.]<sup>6</sup>

(8) All decisions shall be taken by a majority of votes by the members present and in the event of the equality of the votes, the facts may be recorded and referred to the Electricity Ombudsman for final orders. All the members present shall sign every order passed by the forum. <sup>2</sup>[The decisions of the forum shall be strictly in accordance with the provisions of the Act, the rules and

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<sup>2</sup> Inserted as per Commission's Notification No.TNERC/CGR&EO/6-1/dated 03.10.2005(w.e.f 7.12.2005)

<sup>3</sup>Inserted as per Commission's Notification No. TNERC/CGR&EO/6-10 dated 8.9.2014(w.e.f 22.10.2014)

<sup>4</sup> Substituted as per Commission's Notification No. TNERC/CGR&EO/6-10 dated 8.9.2014(w.e.f 22.10.2014), which before substitution stood as: [15]

<sup>5</sup> Substituted as per Commission's Notification No. TNERC/CGR&EO/6-10 dated 8.9.2014(w.e.f 22.10.2014), which before substitution stood as :[ either dismiss the complaint for default or decide it on merits.]

<sup>6</sup>[<sup>1</sup> Substituted as per Commission's Notification No. TNERC/CGR&EO/6-10 dated 8.9.2014(w.e.f 22.10.2014), which before substitution stood as under:

[On receipt of the comments from the licensee or otherwise, <sup>1</sup>[the forum shall initiate an enquiry in regard to the complaint after serving a notice of the said enquiry on the complainant and the licensee concerned, mentioning "date, time and venue" of the enquiry by registered post with acknowledgement and complete the said enquiry]<sup>1</sup> as expeditiously as possible and every endeavor shall be made to pass appropriate order on the complaint within a maximum period of 2 months from the date of receipt of complaint by the Forum.]

[<sup>1</sup> Substituted as per Commission's Notification No. TNERC / CGRF & EO/6-3/ dated 05.11.2009 (w.e.f.06.01.2010) which before substitution stood as under:

[the forum shall complete enquiry as expeditiously as possible and every endeavour shall be made to pass appropriate order on the complaint within a maximum period of 2 months from the date of receipt of complaint by the forum]

7

regulations made thereunder and in particular the Tamil Nadu Electricity Supply Code and the Tamil Nadu Electricity Distribution Code and the directions of the Commission and it is not open to the Members and the Chairperson of the Forum to deviate either expressly or impliedly from the provisions of the Act or the rules or regulations made thereunder or the Tamil Nadu Electricity Supply Code or the Tamil Nadu Electricity Distribution Code or the directions of the Commission while taking the decisions by the forum.]<sup>2</sup>

(9) The proceedings and decisions of the forum along with timeframe for compliance shall be recorded and communicated to the complainant and licensee for compliance.

(10) The licensee shall implement the decisions of the forum within the timeframe specified in the order and report compliance to the forum within 5 days of the implementation of the order.

(11) In respect of grievances on non implementation of standards of performance of licensee on consumer service specified by the Commission under section 57(1) of the Electricity Act 2003, if the forum finds that there was default of the licensee, it shall only hold that the consumer is entitled to the compensation and shall state that, the consumer if agreed, can accept the compensation prescribed by the Commission in the relevant Regulations.

<sup>1</sup> [(12) The Chairman of the forum may pass such interim orders on the request of the complainant as he may consider appropriate in the interest of the complainant after hearing both sides subject to issue of final order by the forum.

Provided that in case of dispute in regard to payment of current consumption charges the interim relief shall not be granted unless the complainant deposits with the designated authority/office of the licensee the amount as specified in clause (a) or (b) under the proviso to sub-section (1) of section 56 of the Act.

(13) Once a petition for interim relief is filed with the Consumer Grievance Redressal Forum, the electricity supply to the consumer shall not be disconnected except in accordance with the provisions of the Act, regulations and orders.

(14) The application seeking interim relief shall be registered within three working days from the date of receipt of complaint.

(15) The interim orders shall be passed within ten days from the date of receipt of the complaint.]<sup>1</sup>

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<sup>1</sup> Inserted as per Commission's Notification No. TNERC/CGR&EO/6-10 dated 8.9.2014(w.e.f 22.10.2014),

- 8 <sup>1</sup>[Any consumer aggrieved by an order made by the Forum may prefer an appeal against such order to the Electricity Ombudsman within a period of 30 days from the date of the order, in the form as prescribed in Annexure III.]<sup>1</sup>

Provided that the Electricity Ombudsman may entertain an appeal after the expiry of the said period of 30 days if the Electricity Ombudsman is satisfied that there was sufficient cause for not filing it within that period.

Provided further that the Electricity Ombudsman shall entertain no appeal by any party, who is required to pay any amount in terms of an order of the forum, unless the appellant has deposited in the prescribed manner, twenty five percent of the amount as ordered by the forum.

- 9 The forum shall submit a report to the Commission on the category-wise number of complaints received, redressed and pending for every quarter of calendar year in the Format given in Annexure-II.

Monitoring Report

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC / CGRF & EO/6-6/ dated 22.03.13 (w.e.f.01.05.2013) which before substitution stood as under:

[Any person aggrieved by an order made by the forum may prefer an appeal against such order to the Electricity Ombudsman within a period of 30 days from the date of the order, in such form and manner as may be prescribed by the Commission.]

## PART - III ELECTRICITY OMBUDSMAN

<p>10 (1) The Tamil Nadu Electricity Regulatory Commission will designate / appoint one or more persons to be known as Electricity Ombudsman to carry out the functions entrusted to him by these Regulations.</p> <p><sup>1</sup>[(2) The minimum age of the person to be considered for appointment as Electricity Ombudsman shall be 50 years]<sup>1</sup></p> <p>(3) The appointment of Electricity Ombudsman under this clause may be made for a period not exceeding three years. Provided that the tenure of an Electricity Ombudsman, may be extended by the Commission for further period not exceeding three years subject to an overall age limit of 65 years.</p> <p>(4) The Electricity Ombudsman appointed under sub-clause 10(1) shall devote his whole time to the affairs of his office.</p> <p>(5) Where the Commission is satisfied that in the public interest or for the reason of incapacity of the Electricity Ombudsman, it is necessary so to do, it may for reasons to be recorded in writing and by giving him three months' notice or by paying three months' consolidated emoluments in lieu of the notice period, remove any Electricity Ombudsman from his office.</p>	<p>Appointment and tenure</p>
<p>11 The territorial limits of Electricity Ombudsman extend to the whole of the State of Tamil Nadu. If the Commission appoints more than one Ombudsman, the Commission shall specify the territorial limits.</p>	<p>Territorial jurisdiction</p>
<p>12 The office(s) of the Electricity Ombudsman(s) will be located at such place(s) as may be specified by the Commission. In order to expedite disposal of complaints, the Electricity Ombudsman may hold sittings at such places within his area of jurisdiction as may be considered necessary and proper by him in respect of a complaint or reference, as the case may be, before him.</p>	<p>Location of Office and temporary headquarters</p>
<p>13 <sup>2</sup>[The Electricity Ombudsman appointed / designated should be a person with ability, integrity, enjoying high reputation and should have qualification in electrical engineering with experience in electricity sector. Experience in various wings of distribution utility and knowledge of law would be an additional qualification.]<sup>2</sup></p>	<p>Qualification</p>
<p>14 The <sup>3</sup>[salary]<sup>3</sup> and other perquisites payable to Electricity Ombudsman will be determined by the Commission from time to time and shall be borne by the Distribution licensees in such proportion and in such manner as may be determined by the Commission.</p>	<p>integrity, conversant with the working of electricity sector and enjoying high reputation. ] <sup>3</sup>Substituted for the</p>

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<sup>1</sup>Substituted as per Commission's Notification No. Notification No. TNERC / CGRF&EO /6-5/ dated 23.11.2011 (w.e.f.14.12.2011) which before substitution stood as under:

[(2) The minimum age of the person to be considered for appointment as Electricity Ombudsman shall be 58 years].

<sup>2</sup>Substituted as per Commission's Notification No. Notification No. TNERC / CGRF&EO /6-5/ dated 23.11.2011 (w.e.f.14.12.2011) which before substitution stood as under:

[The Electricity Ombudsman appointed / designated should be a person with ability,



- 15 The Electricity Ombudsman shall be provided with a secretariat. The staff pattern and salary etc., shall be approved by the Commission. The cost of the secretariat will be shared by distribution licensees in such proportion as may be determined by the Commission.
- 16 The Electricity Ombudsman shall have the following powers and duties.
  - (a) To receive the appeal petitions against the order of the consumer grievance redressal forum and consider such complaints and facilitate their satisfaction or settlement by agreement, through conciliation and mediation between a licensee and the aggrieved parties or by passing an award in accordance with the Act and Rules or Regulations made thereunder.
  - (b) The Electricity Ombudsman shall exercise general powers of superintendence and control over his office and shall be responsible for the conduct of business thereat.
  - (c) The Electricity Ombudsman shall have the powers to incur expenditure on behalf of the office. In order to exercise such power, the Electricity Ombudsman will draw up an annual budget for his office in consultation with Commission and shall exercise the powers of expenditure within the approved budget. The Commission will indicate the share of expenditure to be borne by the distribution licensees.
- 17 <sup>1</sup>[(1) Any consumer, who is aggrieved on the order on the grievance or non-redressal of his grievances by Forum constituted under section 42(5) of the Electricity Act 2003 (Central Act 36 of 2003) by licensees relating to providing of electricity supply, may himself or through his representative make a complaint to the Electricity Ombudsman in the form as in Annexure III. Complaints of common nature (which may be considered applicable to more than one Forum) can be directly brought upto Electricity Ombudsman by any of the consumer or by a State Level Consumer Association in the form as prescribed in Annexure III.]<sup>1</sup>  
<sup>2</sup>[(2) The complaint shall be in writing duly signed by the complainant or his authorized representative in the form as prescribed in Annexure III.

Powers and Duties of Electricity

The  
Licensees  
shall  
ensure  
that the  
addresses  
of the  
Electricity  
Ombudsman  
to  
whom  
the  
appeals  
could  
be  
made  
by the  
consumers

mers against the order of the Forum are displayed in their premises. The licensees shall also ensure that copies of these Regulations are made available to the consumers on payment of a cost, which shall not be more than the cost of printing or reproduction.]<sup>2</sup>

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<sup>1</sup>Substituted as per Commission's Notification No. Notification No. TNERC / CGRF&EO /6-6/ dated 22-03-2013 (w.e.f.01-05-2013) which before substitution stood as under:

[(1) Any consumer, who is aggrieved on the order on the grievance or non- redressal of his grievances by forum constituted under section 42 (5) of the Electricity Act 2003 by licensees relating to providing of electricity supply, may himself or through his representative make a complaint to the Electricity Ombudsman. Complaints of common nature (which may be considered applicable to more than one forum) can be directly brought upto Electricity Ombudsman by a State level Consumer Association.

<sup>2</sup>Substituted as per Commission's Notification No. TNERC / CGRF&EO /6-6/ dated 22-03-2013 (w.e.f.01-05-2013) which before substitution stood as under:

(2) The complaint shall be in writing duly signed by the complainant or his authorized representative and shall state clearly the name of the individual or the organization, postal address, telephone number and email address (if any) of the complainant.

Powers and duties of Electricity Ombudsman

<sup>1</sup>[(3)  
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 Annexu  
 re II,  
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 followin  
 g shall  
 be  
 added,  
 namely  
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**ANNEX  
 URE-  
 III]<sup>1</sup>**

(4) No  
 complai  
 nt to the  
 Electricit  
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 Ombuds  
 man  
 shall lie  
 unless:  
<sup>2</sup> [(a)

The  
 complai  
 nant  
 had

before making a complaint to the Electricity Ombudsman made a written representation to the forum of the licensee named in the complaint and either the forum had rejected the complaint or the complainant had not received any reply within a period of 50 days from date of filing of the grievance or the complainant is not satisfied with the reply given to him by the forum.

Provided that this shall not be applicable to the complaints of common nature described under sub-regulation(1).]<sup>2</sup>

(b) The complaint is made within three months after cause of action has arisen.

(c) The complaint, which is not settled, is not in respect of the same subject, which was settled through the office of the Electricity Ombudsman in any previous proceedings whether received from the same complainant or along with one or more complainants or anyone or more of the parties concerned with the subject matter;

(d) The complaint does not pertain to the same subject matter for which any proceedings before any court is pending or a decree or award or a final order has already been passed by any competent court; and

(e) The complaint is not frivolous or vexatious in nature.

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<sup>1</sup> Substituted as per Commission's notification No.TNERC/CGRF&EO/6-6/dated 22.3.2013(w.e.f 01.5.2013)

(3) The complaint shall also contain the number of the service connection, category of the service, address of the location of the service connection, name of the local licensees' office and address against which the complaint is made, the facts giving rise to the complaint supported by documents if any and the relief sought from the Electricity Ombudsman.]

<sup>2</sup>Substituted as per Commission's Notification No.TNERC/CGRF&EO/6-10,dated 8.9.2014 which before substitution stood as under:'

[(a) The complainant had before making a complaint to the Electricity Ombudsman made a written representation to the forum of the licensee named in the complaint and either the forum had rejected the complaint or the complainant had not received any reply within a period of two months from date of filing of the grievance or the complainant is not satisfied with the reply given to him by the forum. This shall however not be applicable to the complaints of common nature described under clause 17 (1).]

may reject the complaint at any stage if it appears to him that the complaint made is;

Rejection of the  
complaint

(a) frivolous, vexatious, malafide ; or

(b) without any sufficient cause or;

(c) that it is not pursued by the complainant with reasonable diligence or;

(d) prima facie, there is no loss or damage or inconvenience caused to the complainant.

- 19 (1) For the purpose of carrying out his duties, an Electricity Ombudsman may require the licensee named in the complaint to furnish certified copies of any document relating to the subject matter of the complaint, which is or is alleged to be in its possession, within 15 days. Provided that in the event of failure of a licensee, without any sufficient cause, to comply with the requisition made under this clause, the Electricity Ombudsman may, if he deems fit, draw the inference that the information, if provided, or copies, if furnished, would be unfavourable to the licensee and proceed to settle the case on that basis.

Powers to call for  
information

(2) The Electricity Ombudsman shall maintain confidentiality of any information or document coming into his knowledge or possession in the course of discharging his duties and shall not disclose such information or document to any person except with the consent of the person furnishing such information or document. Provided that nothing in this clause shall prevent the Electricity Ombudsman from disclosing information or document furnished by a party in a complaint to other party or parties, to the extent considered by him to be reasonably required to comply with the principles of natural justice and fair play in the proceedings.

Settlement of  
complaint by  
agreement

- 20 (1) As soon as it may be practicable to do, the Electricity Ombudsman shall cause a notice of the receipt of any complaint along with a copy of the complaint to the concerned office of the licensee named in the complaint and endeavour to promote a settlement of the complaint by agreement between the complainant and the licensee named in the complaint through conciliation or mediation.

(2) For the purpose of facilitating for settlement of the complaint, the Electricity Ombudsman may follow such procedures, as he may consider appropriate.

(3) When a complaint is settled, through mediation of the Electricity Ombudsman, undertaken by him in pursuance of request made in writing by complainant and licensee through mutual agreement, the Electricity Ombudsman shall have the settlement recorded and signed in his presence and cause issuance of orders on the settlement of grievances by mutual agreement.

- 21 (1) Where the complaint is not settled by agreement under clause 20, the Electricity Ombudsman may determine the stage, the manner, the place, the date and the time of the hearing of the matter as the Electricity Ombudsman may consider appropriate.

Hearing of the  
matter

(2) The Electricity Ombudsman may decide the matter on the pleadings by oath of both the parties and direct the parties to written note of arguments or submission in the matter. The parties can be represented in person or through representatives of their choice.

22 (1) Where the complaint is not settled by agreement under clause 20, the Electricity Ombudsman shall pass a speaking order with detailed reasoning that he thinks fair in the facts and circumstances of a claim.

Award

(2) The order shall be in writing and shall state the full details of the award to the complainant and licensee.

(3) The Electricity Ombudsman shall pass an award within a period of three months from the date of receipt of the complaint.

(4) A copy of the award shall be sent to the complainant and the licensee named in the complaint. A copy of the award may also be sent to the concerned forum for information.

(5) The Licensee shall comply with the award within the period specified in the award and shall intimate the compliance to the Electricity Ombudsman.

<sup>1</sup>[(6) The Ombudsman may on his own or on the application of any of the persons or parties concerned within 30 days of the making of the decision, direction or order review such decision, direction or order on the ground that such decision, direction or order was made under a mistake of fact, ignorance of any material fact or any error apparent on the face of the record.

(a) The application for such review shall contain the name and address of the petitioner, Order Number & date of the Electricity Ombudsman and the grounds for review i.e. (i) mistake of fact (ii) ignorance of material fact (iii) error apparent on the face of the record.]<sup>1</sup>

<sup>2</sup>[(7) Non compliance of the orders of the Forum or the Electricity Ombudsman shall attract proceedings under section 142 of the Act.]<sup>2</sup>

23 (1) The Electricity Ombudsman shall send to the Commission, by 1st May every year, a report containing a general review of the activities of his office during the preceding financial year and shall furnish such information as the Commission may direct.

Report of Electricity  
Ombudsman

(2) The Commission may, in the public interest, publish the report and the intimation from the Electricity Ombudsman in such consolidated form or otherwise as it deems fit.

24 Nothing contained in these Regulations shall affect the rights and privileges of the consumers under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).

Savings

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<sup>1</sup> Inserted as per Commission's Notification No.TNERC/CGRF & EO/6-9,dated 18.6.2014 (w.e.f 9.7.2014)

<sup>2</sup> Inserted as per Commission's Notification No.TNERC/CGRF & EO/6-10,dated 8.9.2014 (w.e.f 22.10.2014)

- |    |  |                               |
|----|--|-------------------------------|
| 25 | If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order, direct the licensee to take suitable action, not being inconsistent with the Electricity Act 2003, which appears to it to be necessary or expedient for the purpose of removing difficulties. | Powers to remove difficulties |
| 26 | The Commission may, at any time add, modify, delete or amend any provision of these Regulations subject to the provision of the Electricity Act. 2003.   | Power to amend                |

# ANNEXURE - I

## COMPLAINT FORMAT

(Please tick ( ✓ ) in the box whichever is applicable)

### 1) SERVICE CONNECTION RELATED

i) FOR NEW SERVICE (TYPE)

Domestic	<input type="checkbox"/>	Commercial	<input type="checkbox"/>
Industrial	<input type="checkbox"/>	Agriculture	<input type="checkbox"/>
Other Services	<input type="checkbox"/>		

ii) FOR EXISTING SERVICE: Service No.

Additional Meter	Defective Meter / Replacement of Meter	Capacity Enhancement
------------------	--	----------------------

☐
☐
☐

Additional Load

Conversion to 3 Phase

Shifting Of Service

☐
☐
☐

Name Transfer

Tariff Change

Bill Revision

☐
☐
☐

Deficiency in Services

Other Complaint

☐
☐

a) Date of Application

b) Date of payment made if any

c) Address of the location of the existing / proposed service connection

d) Name, Designation and address of the Officer concerned

2) Licensee's employee against whom complaint is made  
(for more than one person fill in separate form)

NAME  
DESIGNATION  
OFFICE

ADDRESS


### NATURE OF COMPLAINT

i) Discourtesy ☐

ii) Denial of requisite information ☐

iii) WANTON DELAY ON ACCOUNT OF

Registration of application ☐

Acceptance of payment ☐

Fixing of meter ☐

Effecting service connection ☐

iv) QUALITY OF POWER SUPPLY

Low Voltage  
(Generally) ☐

From (Hrs)

To (Hrs)

From (Hrs)

To (Hrs)

Voltage Fluctuation  
(Generally) ☐

Frequent  
Interruption  
of supply ☐

From (Date)

To (Date)

From (Date)

To (Date)

Any other Problem ☐

v) DEMAND / ACCEPTANCE OF BRIBE

i) Bribe demanded ☐

Time

Date

Place

ii) Bribe accepted by officer directly ☐

through the agent ☐

Amount paid Rs

Time

Date

Place

3) GENERAL (Descriptive details of the above or other matters)

-----

-----

Telephone  
Number

Signature of the Complainant

Mail ID

Date:

Address of the Complainant

NOTE: Strike out whichever is not applicable ii) Send separate sheet if necessary to cover details  
iii) Complainant is assured that there will be no harassment for giving this complaint iv) Complete  
postal address of the complainant is essential for taking action.



**Annexure-II**  
**Consumer Grievance Redressal Monitoring Report**

Sno	Complaints Status	Nature of Complaints							Total
		Delay in effecting supply	Quality of voltage	Interruptions	Metering Problems	Billing Problems	Tariff Problems	Others	
1	Complaints Pending during the starting of the last quarter.								
2	Complaints Received during the last Quarter								
3	Total complaints								
4	Complaints Attended during last quarter								
5	Balance Complaints to be attended								
6	Complaints pending for more than 3 months but less than 6 months								
7	Complaints pending for more than 6 months								

Note: The present stage for each complaint pending for more than six months may be furnished separately.

<sup>1</sup>[ANNEXURE III]  
FORM FOR FILING COMPLAINT BEFORE ELECTRICITY OMBUDSMAN  
 (see regulation 8)  
 (To be submitted in duplicate)

for office use :	
Appeal Petition Number	:
Date of receipt	:
Signature of E.O.	:

I. Consumer Details :

- (a) Name of the Consumer :
- (b) Postal address :
- (c) Consumer Service Connection No :
- (d) Address /Location of the Service connection :
- (e) Consumer Category :
  - (i) **HT/LT/** :
  - (ii) **Domestic/Comml/ Industry/Agri/others** :
- (f) Phone No :
- (g) Fax No. :
- (h) Email (if any) :

II. Details of the Licensee against whom complaint is made :

- (a) Name/Designation of the Respondent (s) :
- (b) Name of the Division & address :
- (c) Name of the Sub-Division & address :
- (d) Name of section & address :

III. Details of the Consumer Grievance Redressal Forum :

- (a) Name :
- (b) Address :
- (c) Phone No. :
- (d) Fax No. :

- IV. Date of Submission of Grievance to the CGRF :

- V. Brief Description of Complaint made to the CGRF  
(Details may be annexed separately. Copy of complaint sent to the CGRF shall be attached along with enclosures) :
- VI. Whether the consumer has received final orders from the CGRF :  
(a) If yes, attach a copy of the orders of CGRF :  
(b) If no, whether 2 months have since passed without any reply from the CGRF :
- VII. Explain how the relief ordered by the CGR Forum does not meet the justice demanded in the complaint :
- VIII. Relief sought from the Electricity Ombudsman (Details may be annexed separately) :
- IX. Additional information/points if any in support of the relief sought from the Electricity Ombudsman (Enclose documentary evidence also if any) :
- X. Quote specific reference to Electricity Act licensee conditions & regulations, code, standards, directions & instructions issued by TNERC if any. :
- XI. In case of any order of the CGRF to pay certain amount, whether 25 % of the amount as ordered by the forum has been deposited in the manner prescribed (attach copy of receipt issued by competent authority) :
- XII. Whether the appeal has been made within 30 days from the date of order :
- XIII. If not state the reasons for the delay :

#### DECLARATION

- (a) I/We the Consumer/s herein solemnly declare that and sincerely state as follows:
- (i) That the information furnished herein above is true and correct
- (ii) That I/We have not concealed or misrepresented any fact stated in herein above and the documents submitted herewith are true copies of the original documents
- (b) Strike out the following which are inapplicable.
- (i) **That I/We made a written representation to the Forum of the licensee named in the complaint before filing this appeal.**
- (ii) **The forum rejected the complaint.**

**(iii) That I/We have not received any reply for 2 months from the date of filing of complaint.**

Note: This is not applicable to complaints of common nature described under clause 17.

- (c) The subject matter of my/our representation has not been settled through the office of the Electricity Ombudsman in any previous proceedings whether received from me/ us or along with one or more complainants or anyone or more of the parties concerned with the subject matter.
- (d) The subject matter of the present representation does not pertain to the same subject matter for which any proceedings before any court is pending or decree or award or a final order has been passed by any competent court.

Place :  
Date :

(Appellant/Complainant)  
(Name of the Consumer /Authorised  
representative)\_

### Nomination

If the consumer wants to nominate his/her representative to appear and make submission on his/her behalf before Electricity Ombudsman or to the office of the Electricity Ombudsman, the following declaration should be submitted.

I/We ..... hereby nominate Thiru./Tmt.....residing at ..... as my/ our authorised representative in the proceedings before the Electricity Ombudsman against the order of CGRF in petition No. . . . . and further authorise the said representative to present my/our case before the Ombudsman orally and in written form and to further authorise the said representative to facilitate settlement of complaint by agreement in accordance with regulation 20 and when the complaint is not settled under regulation 20, to plead on oath and file written note of arguments or submission before the Ombudsman under regulation 21.

Signature of the representative & Date

Signature of the Consumer & Date.]

\*+++++

<sup>1</sup> Inserted as per Commission's Notification No. Notification No. TNERC / CGRF&EO /6-6/ dated 22-03-2013 (w.e.f.01-05-2013)

# **Tamil Nadu Electricity Regulatory Commission (Demand Side Management) Regulations, 2013**

**Notification No. TNERC/DSM/ 20/1, dated 26-02- 2013**

In exercise of powers conferred by Sub-section (1) of Section 181 and clause (zp) of sub-section (2) of section 181 of the Electricity Act, 2003 (Central Act 36 of 2003), the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations for the Demand Side Management, the draft of the same having been previously published as required by sub-section (3) of section 181 of the said Act.

## **Chapter I: GENERAL**

### **1. Short title and commencement.-**

- (1) These regulations may be called the **“Tamil Nadu Electricity Regulatory Commission (Demand Side Management) Regulations, 2013”**.
- (2) These regulations shall come into force on the date of their publication in the Tamil Nadu Government Gazette.
- (3) These regulations shall be applicable to all the Distribution Licensees in the State.

### **2. Definitions. -**

- (1) In these Regulations, unless the context otherwise requires, –
  - (a) “Act” means the Electricity Act, 2003 (Central Act 36 of 2003);
  - (b) “Baseline data” means the initial base level consumption and/or demand for electricity before a Demand Side Management (DSM) programme begins to provide a starting point for comparison for assessing the programme impact;
  - (c) “Bureau” means the Bureau of Energy Efficiency (BEE) established under sub- section (1) of section 3 of The Energy Conservation Act,

2001(Central Act 52 of 2001);

- (d) "Commission" means the Tamil Nadu Electricity Regulatory Commission;
- (e) "Cost Effectiveness Index" means an indicator of the attractiveness of any investment in DSM programme or when compared to the costs of energy produced and delivered in the absence of such an investment;
- (f) "Demand Side Management" means the actions of a Distribution Licensee, beyond the consumer's meter, with the objective of altering the end-use of electricity - whether it is to increase demand, decrease it, shift it between high and low peak periods, or manage it when there are intermittent load demands - in the overall interests of reducing Distribution Licensee's costs;
- (g) "DSM Resource Acquisition" means a mechanism to implement DSM projects through consumers, Energy Service Companies, Non-Government Organisations, manufacturers/suppliers of electrical equipment and instruments, or other private sector organizations, with payment made to them by the Distribution Licensee for the resultant energy and load reductions;
- (h) "Energy Services Company" means a company which is in the business of providing energy efficient and load management equipment or services to end-use consumers and is approved by Bureau;
- (i) "Evaluation, Measurement and Verification (EM&V)" means activities which evaluate, measure and verify performance or other aspects of DSM or energy efficiency programs or their market environment; and
- (j) "Monitoring and Reporting" means activities which monitor and evaluate the progress of DSM or energy efficiency programs of the Distribution

Licensee.

## **Chapter II: DSM OBJECTIVES, TARGETS AND GUIDELINES**

### **3. DSM Objectives, benefits and types. -**

- (1) The objective of DSM is to control, reduce and influence electricity demand, reducing fixed cost, promoting the usage of efficient equipments, reduction of fossil fuel dependence, reduction of energy consumption, cost benefit for the consumers and the electricity sector by implementation of suitable policies and measures;
- (2) Implementation of DSM leads to (i) reduction of energy consumption and peak demand, (ii) avoidance or postponement of generation, transmission and distribution network extension, (iii) drop in primary energy consumption and consequential reduction in greenhouse gas emissions, (iv) the economical and efficient use of resources which results in lowering the overall cost of electricity, (v) provision of win/win solutions with positive impacts for all the stakeholders involved;
- (3) DSM measures improve the consumers' level of information about the rational use of electricity and provide incentives to the use of more efficient equipments and the measures that influence the behaviour of consumption.

### **4. Basic Principles. -**

- (1) Every Distribution Licensee shall make DSM an integral part of their day-to-day operations, and undertake planning, designing and implementation of appropriate DSM programmes on a sustained basis;
- (2) The DSM related activity or programmes undertaken by the Distribution Licensee shall.-
  - (a) need to be cost effective for the consumers of the Distribution Licensees as well as to the Distribution Licensees themselves;
  - (b) protect the interest of consumers and be implemented in an equitable manner;



(c) result in overall tariff reductions for all the consumers of the licensee.

(3) Distribution Licensee shall be guided by these regulations. -

- (a) while planning and submitting long-term power procurement plan to the Commission as part of their application seeking determination of tariff;
- (b) while submitting to the Commission the measures proposed to be implemented by them as regards to load management, energy conservation and energy efficiency;
- (c) while submitting to the Commission the impact on energy and demand, together with the cost benefit analysis.

(4) While carrying out cost-effectiveness, Distribution Licensee shall be guided by the Commission's guidelines issued in this regard.

#### **5. Assessment of technical potential for DSM. -**

- (1) The first assessment of technical potential for DSM shall be carried out by the Distribution Licensee within six months of the coming into force of these Regulations;
- (2) Subject to the provisions contained in sub regulation(1), the Distribution Licensee shall carry out assessment of potential for DSM one year before the start of every MYT Control Period or financial year.
- (3) Distribution Licensee shall follow the methodology developed by Bureau and the Commission while assessing of technical potential for DSM.

#### **6. DSM Targets. -**

- (1) The Commission shall establish DSM targets for Distribution Licensee;
- (2) While setting DSM target for the Distribution Licensee, the Commission shall give due consideration to factors which includes consumer mix, load profile and similar factors associated with DSM;
- (3) DSM targets may include the following:-
  - (a) Percentage of reductions in load growth;
  - (b) Savings in kW and kWh;
  - (c) Savings as a percentage of total resources to meet load;

- (4) While establishing the targets, the Commission shall consider the technical potential in the State as assessed by the Distribution Licensee and techno-economic viability of the DSM projects.

**7. Guidelines on DSM process. –**

- (1) General guidelines issued by the Bureau and the Commission shall provide for the following activities, namely:-
- (a) Load and market research;
  - (b) Implementation of DSM programmes;
  - (c) Cost Effectiveness Assessment of DSM programmes;
  - (d) Monitoring and Reporting of DSM Plans and programmes;
  - (e) Eligibility criteria for DSM programmes;
  - (f) Methodology for setting DSM targets and funding levels;
  - (g) Database development framework;
- (2) Issuance of such guidelines shall not be a pre-requisite for preparation and submission of the first DSM plan by the Distribution Licensee

**Chapter III: DSM CELL**

**8. Constitution of DSM Cell, its roles and responsibilities. -**

- (1) The Distribution Licensee shall constitute DSM Cell at corporate level headed by an officer not below the rank of Superintending Engineer within one month of coming into force of these regulations and a sub cell at each region level headed by an officer not below the rank of Executive Engineer shall be formed to implement the DSM programmes within six months from the date of coming into force of these regulations.
- (2) The DSM cell and sub cells constituted in this regard especially shall look after the DSM activities and shall be given optimum workforce to carry out all the DSM related jobs;
- (3) The DSM cell and sub cells shall offer consultation either free or at nominal charge to the individual consumers to carry out DSM related activities in their homes/industries/establishments, etc.;

- (4) The DSM Cell and sub cells so constituted shall be provided with necessary authority and resources so as to execute the functions assigned to it under these Regulations;
- (5) The DSM Cell shall be responsible for:-
- (a) Load research and development of baseline data;
  - (b) Formulation of DSM Plan;
  - (c) Design and development of DSM projects including cost benefit analysis, plans for implementation, monitoring & reporting and for measurement and verification;
  - (d) Seeking necessary approvals to DSM Plan and individual programmes;
  - (e) Implementation of DSM programmes; and
  - (f) Any other additional function that may be assigned by the Commission from time to time.

#### **Chapter IV: DSM CONSULTATION COMMITTEE**

##### **9. Constitution of DSM Consultation Committee (DSM-CC) and its functions. –**

- (1) There shall be constituted a DSM-CC by the Commission which shall be the nodal agency to assist the Licensee and the Commission to drive the DSM programme under the DSM Regulations. The DSM-CC shall comprise of:-
- (a) Secretary of the Commission to act as the Convener;
  - (b) Director/Engineering to act as Secretary of DSM-CC;
  - (c) One representative from the Distribution Licensee who is not below the rank of Chief Engineer;
  - (d) One representative from State Transmission Utility who is not below the rank of Chief Engineer;
  - (e) Chief Electrical Inspector to the Government (State designated agency for energy audit and efficiency);
  - (f) General Manager / Tamil Nadu Energy Development Agency;

- (g) Maximum five numbers representatives from educational and research institutions; industry, agriculture & general public who have special knowledge or experience of power sector to be nominated by the Commission;

**(2) The functions of the DSM –Consultation Committee shall be.-**

- (a) to advise the licensee on conducting continuous consumer surveys and Load Research to seek information on end-use technologies, usage patterns, willingness to pay, sensitivity studies, market research etc. to assess DSM potential;
- (b) to approve awareness activities/campaigns/exhibitions, consumer interaction sessions developed by the licensee and to supervise the same;
- (c) to promote cross-learning among the stakeholders to design appropriate DSM programmes and plans;
- (d) to advise innovative Tariff offerings to promote DSM;
- (e) to review DSM programme and DSM Plans submitted by the licensee and to advise the Commission in assessment and approval;
- (f) to evaluate the terms set by the financiers/ bankers for funding DSM Plan;
- (g) to provide support to the Commission for instituting DSM Plan/Programme monitoring, review, evaluation, measurement and verification (EM&V) as and when required;
- (h) to study the impacts of already implemented DSM programmes;
- (i) to apprise the Commission about all DSM related activities on quarterly basis.

**Chapter V: DEMAND SIDE MANAGEMENT PROCESS**

**10. Load and market research and development of baseline data. -**

- (1) Distribution Licensee shall undertake load research to identify the target consumer segment/s and end uses for DSM programmes to build the necessary database;

- (2) Distribution Licensee shall undertake market research to estimate market potential for specific energy efficiency technologies and applications, establish key performance indicators, and determine existing baseline market conditions;
- (3) On the basis of the results of load and market research, the Distribution Licensee shall develop baseline data for its area of supply;
- (4) Distribution Licensee may design, develop and implement the initial few DSM programmes on the basis of available data and studies completed by BEE till the complete baseline data is available for its area of supply and establishment of base line data shall not be a pre-requisite for design of such initial DSM programmes by the Distribution Licensee.

#### **11. Formulation of DSM Plan. -**

- (1) Distribution Licensee shall formulate and submit to the Commission a perspective DSM Plan covering the control period for approval, within one year of coming into force of these regulations. The Plan shall include.-
  - (a) an overall goal for DSM Plan;
  - (b) description of DSM programmes to form a part of DSM Plan;
  - (c) implementation process and schedule of each programme in the plan as a whole;
  - (d) plan for Monitoring and Reporting;
  - (e) indicative cost effectiveness assessment of programmes
- (2) The first DSM Plan shall be in force for a period till the end of ongoing MYT Control Period and subsequent DSM Plans shall be in force as provided in regulation 12.
- (3) The Distribution Licensee shall include all relevant DSM programmes (including multi-state programmes) developed by Bureau in its perspective plan as and when such programmes are announced by Bureau.
- (4) The Distribution Licensee shall submit on rolling basis, an annual

plan, not inconsistent with the perspective plan, for upcoming year, along with the Annual Performance Review.

(5) Selection and prioritisation of various DSM programmes in the DSM Plan shall be guided by the following factors:

- (a) Cost effectiveness;
- (b) DSM Objectives identified in Regulation 3;
- (c) Whether the proposed programmes supplement National level efforts adopted by the Bureau; and
- (d) Programmes with high visibility and therefore potential for creation of awareness within consumers

## **12. Commission's review and approval of DSM plan. -**

- (1) Distribution Licensee shall submit the DSM Plan to the Commission for approval at least six months before the start date of the next MYT period. The term of the plan shall coincide with the corresponding MYT term. The DSM plan submitted by the Distribution Licensee shall be in both hard and soft copies;
- (2) The Commission may adopt procedures as specified in the Conduct of Business Regulations for according approval to the DSM Plan and a miscellaneous petition shall be filed in line with Fees & Fines Regulations and Conduct of Business Regulations, 2004;

## **13. Preparation of DSM Programme Document. -**

- (1) After approval of the DSM plan, the Distribution Licensee shall prepare, for all DSM programmes included in the approved DSM plan, "DSM Programme Document" (PD);
- (2) The PD will guide implementation, monitoring, review etc. of all the approved individual DSM programmes contained in the plan. Each PD shall include the following:
  - (a) Description of the programme;
  - (b) Objectives and rationale for the programme;

- (c) Consumer segments and estimated level of participation;
- (d) Estimate of baseline;
- (e) Assessment of programme in line with Cost Effectiveness;
- (f) Mechanism for recovery of cost and performance incentives;
- (g) Marketing, delivery strategy and Implementation schedule;
- (h) Implementation mechanism e.g. Energy Service Companies, DSM bidding, DSM resource acquisition, etc;
- (i) Monitoring and evaluation plan; and
- (j) Plan for Training/Seminars/Workshops to increase consumer awareness.

#### **14. Approval of DSM Programme Document. -**

- (1) Prior to implementing any DSM Programme, the Distribution Licensee shall obtain approval of the Commission;
- (2) The Commission shall approve a Programme Document (PD) if it is in line with the Objectives set out in regulation 3 of the Regulations. The Commission may direct modifications to proposed or on-going programmes to ensure consistency with the DSM Objectives. However, the Commission shall allow Distribution Licensee adequate time to notify consumers of program modification.
- (3) DSM-CC shall scrutinise the DSM programmes submitted by the Distribution Licensee. The Committee shall hold meetings, record all its observations in regard to the programmes, shortcomings, if any, shall be got removed. Thereafter, the Committee shall evaluate each programme and if satisfied, the Secretary shall put up the programmes to the Commission with comments. The Commission may get clarifications, if any, from the DSM-CC or the Distribution Licensee shall accord approval to the programmes after prudence check. The Commission may also refer the DSM programmes submitted by the Distribution Licensee to the State Advisory Committee before according approval;
- (4) The Commission may encourage the DSM measures related to implementation of building Code, use of energy efficient or star rated appliances including agricultural pump sets;

## **15. Implementation of DSM programmes**

- (1) Distribution Licensee shall undertake implementation of DSM programmes in line with the guidelines issued by the Commission from time to time;
- (2) The implementation of the programme shall be undertaken in the manner approved by the Commission;
- (3) Distribution Licensee shall undertake implementation of quick gain DSM Programmes;
- (4) Distribution Licensee shall carry out implementation of activities assigned to it either by itself or through engagement of appropriate independent entity. While doing so, the Distribution Licensee shall ensure that continuity and consistency is maintained and interest of the consumers is not compromised

## **16. Mechanism for Cost Recovery. -**

- (1) Distribution Licensee shall identify the net incremental costs, if any, associated with planning, design and implementation of programmes;
- (2) Distribution Licensee may propose methodology for recovery of net incremental costs through tariff or any other mechanism. The amounts so earmarked may be kept separately as DSM fund and shall be exclusively used for DSM objectives;
- (3) In order to qualify for cost recovery, each program shall be.-
  - (a) approved by the Commission prior to implementation;
  - (b) implemented in accordance with the approved program plan; and
  - (c) implemented cost effectively.
- (4) The Commission may direct the Distribution Licensee to undertake DSM programmes that may not be cost effective but is highly beneficial to the society;
- (5) Distribution Licensee shall be allowed to recover all costs incurred by them in



any DSM related activity, including planning, conducting load research, designing, implementing, monitoring and evaluating DSM programmes, by adding these costs to their ARR to enable their funding through tariff structure;

- (6) The Commission may direct the Distribution Licensee to adopt other complementing DSM funding approaches such as creating a pool of funds through collection of public benefits charge at a later date, if such an approach is found beneficial;
- (7) Distribution Licensee shall obtain the prior approval of the Commission for implementing DSM Programmes at the consumer premises through equity placements, provided that such programmes shall be eligible for Return on Investment and would be evaluated during the ARR approval process.

#### **17. DSM Budget. -**

- (1) Without prejudice to the generality of these Regulations, the following provisions shall apply:-
  - (a) Distribution Licensee shall set up a Multi-year DSM plan and DSM programme budgets and submit the same during the MYT approval and Annual Revenue Requirements (ARR) approval process;
  - (b) The budget shall be spent only after approval of aggregated DSM Plans/ Programmes and/or individual DSM Plans/Programmes by the Commission;
  - (c) DSM implementation plan and associated budgets shall be substantiated with the prioritization of the possible programmes within the license area;
  - (d) The DSM budget to be spent every year shall be substantiated with the kW and kWh savings targets where such targets shall be developed by carrying out detailed load research activity and implementing DSM programmes that may be directed by the DSM Consultation Committee proactively for the benefit of consumers in the State.

- (2) Distribution Licensee shall submit year-wise schedule of DSM plan implementation and corresponding budget allocations relevant to the savings or shifting/reduction of peak load;
- (3) The aggregated year wise funds requirement and achievements shall be the annual DSM budgets and annual DSM targets, respectively;
- (4) These annual DSM budgets and targets, determined and approved at the beginning of the planning cycle shall be revisited during the Annual Performance Review;
- (5) The DSM-CC may take special account of measures taken by Distribution Licensee to develop carbon finance programmes using the Clean Development Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) or any other voluntary carbon financing protocol;
- (6) **Funding for DSM activities other than DSM plan implementation.** - Distribution licensee shall seek separate budget approval from Commission for additional expenses (beyond the DSM programme and DSM plan implementation) to be incurred for activities such as carrying out load research, consumer surveys, DSM plan and programme development activities, research and analysis, funding of any activities proposed by the DSM-CC, conduct of potential studies, training & development, etc.;
- (7) **Allocation of funds for consumer awareness, audits and equity considerations.** - Distribution Licensee shall be allowed to spend a reasonable amount, pre-approved by the Commission on recommendations by the DSM-CC to promote programmes of the nature described below:
  - (a) DSM Programmes that promote consumer awareness and education about why, how, when and where of load management/energy efficiency and include activities such as.-
    - (i) Energy audits,
    - (ii) Awareness campaigns,
    - (iii) Energy Efficiency and Load Management demonstration projects,
    - (iv) Training programmes, seminars, workshops, round table conferences, business exchange meets (buyer-seller meets)

- (v) Establishment of permanent display/demonstration centres cum model “green”/ ultra energy efficient buildings (buildings that go beyond ECBC – Energy conservation Building Codes)
- (b) DSM Programmes for consumers below poverty line/consumers consuming less than 100 units per month (generally considered as low income consumers)

**18. Monitoring and reporting of DSM Programmes. -**

- (1) Distribution Licensee shall prepare a plan and undertake monitoring and reporting of DSM programmes from time to time;
- (2) Reports on progress of DSM plan and expenses incurred on implementation of DSM plan shall be submitted by the Distribution Licensee every three months to the Commission.

**19. Evaluation Measurement and Verification of DSM Programme. -**

- (1) Distribution Licensee shall prepare a plan for evaluation, measurement and verification of savings from DSM programmes;
- (2) Third party Evaluation Measurement and Verification of DSM programmes may be undertaken by the Commission or a third party. Such third party shall be either appointed by the Commission directly or by the Distribution Licensee after approval from the Commission. While engaging the agency, the Commission shall ensure that the Agency is not undertaking any other engagement which could conflict with the interests of the consumers in the State;
- (3) Distribution Licensee shall make available necessary information/data to the Commission or third party assigned by the Commission to measure and verify the savings from DSM programmes.

**Chapter VI: DSM PLAN AND PROGRAMME COMPLETION REPORT**

- 20.** The Distribution Licensee shall prepare a detailed Programme Completion

Report and submit the same to the Commission within three months of completion of such programme;

**21.** The Report shall cover the programme expenses, achievements, outcomes and outputs, constraints and difficulties faced, conclusions, recommendations, lessons learned and way forward.

#### **Chapter VII: INCENTIVES**

**22.** The Commission shall consider to provide appropriate tariff interventions to support DSM, viz. extending Time of day metering up to LT services, load management, rebate for energy efficient buildings / appliances etc.;

**23.** The Commission may provide incentives to Distribution Utilities commensurate with their achieving or exceeding DSM Objectives;

#### **Chapter VIII: MISCELLANEOUS**

**24.** The Commission may, at any time add, vary, alter, modify or amend any provisions of these regulations;

**25.** If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty;

**26.** The Commission may, from time to time, issue orders and practice directions in regard to the implementation of the regulations and procedures to be followed;

**27.** All disputes arising under these regulations shall be decided by the Commission based on an application made by the person aggrieved.

# **TAMIL NADU ELECTRICITY DISTRIBUTION CODE**

(Updated up to 31-03-2015)

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the Tamil Nadu Government Gazette on different dates the following, namely:—

- (1) The Tamil Nadu Electricity Distribution Code (TNEDC)  
(Notification No.TNERC/DC/8/1, dated 21-07-2004)
- (2) The Tamil Nadu Electricity Distribution (Amendment) Code, 2005  
(Notification No.TNERC/DC/8-1, dated 22-11-2005)
- (3) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006  
(Notification No.TNERC/DC/8-2, dated 23-02-2006)
- (4) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006  
(Notification No.TNERC/DC/8-2(1), dated 14-06-2006)
- (5) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006  
(Notification No.TNERC/DC/8-3, dated 31-05-2006)
- (6) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006  
(Notification No.TNERC/DC/8-4, dated 22-06-2006)
- (7) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006  
(Notification No.TNERC/DC/8-5, dated 20-07-2006)
- (8) The Tamil Nadu Electricity Distribution (Amendment) Code, 2007  
(Notification No.TNERC/DC/8-6, dated 10-09-2007)
- (9) Tamil Nadu Electricity Supply Code, Distribution Code and Standards of Performance (Amendment) Regulations, 2007  
(Notification No.TNERC/SC/7-6, dated 03-12-2007)  
(Notification No.TNERC/DC/8-7, dated 03-12-2007)  
(Notification No.TNERC/SPR/1-8, dated 03-12-2007)
- (10)The Tamil Nadu Electricity Distribution (First Amendment) Code, 2008  
(Notification No.TNERC/DC/8-8, dated 08-02-2008)
- (11)The Tamil Nadu Electricity Distribution (Second Amendment) Code, 2008  
(Notification No.TNERC/DC/8-9, dated 22-05-2008)
- (12)The Tamil Nadu Electricity Distribution Code, 2008  
(Notification No.TNERC/DC/8-10, dated 31-07-2008)
- (13)The Tamil Nadu Electricity Distribution Code, 2008  
(Notification No.TNERC/DC/8-11, dated 29-06-2009)
- (14)The Tamil Nadu Electricity Distribution Code, 2008  
(Notification No.TNERC/DC/8-12, dated 24-08-2009)
- (15)The Tamil Nadu Electricity Distribution Code, 2011  
(Notification No.TNERC/DC/8-13, dated 07-01-2010)
- (16)The Tamil Nadu Electricity Distribution Code, 2011  
(Notification No.TNERC/DC/8-14, dated 14-03-2011)
- (17)The Tamil Nadu Electricity Distribution Code, 2012  
(Notification No.TNERC/DC/8-15, dated 17-02-2012)
- (18)The Tamil Nadu Electricity Distribution Code, 2012  
(Notification No.TNERC/DC/8-16, dated 29-11-2012)
- (19)The Tamil Nadu Electricity Distribution Code, 2013  
(Notification No.TNERC/DC/8-17, dated 06-9-2013)
- (20)The Tamil Nadu Electricity Distribution Code, 2013  
(Notification No.TNERC/DC/8-18, dated 25-11-2013)

**Notification No. TNERC / DC / 8 / 1, Dated 21-07-2004**

WHEREAS under section 86 of the Electricity Act, 2003 (Central Act 36 of 2003), the State Electricity Regulatory Commission shall, among others, specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

AND WHEREAS section 46 of the said Act, the State Electricity Regulatory Commission may, by regulations, authorize a distribution licensee to charge from a person requiring a supply of electricity any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply;

NOW, THEREFORE under the powers conferred by the said sections and all other powers enabling in that behalf and after previous publication, the Tamil Nadu Electricity Regulatory Commission hereby specifies the following Code.

Chapter 1: Preliminary

1. (1) Short title and commencement

I. This Code may be called "Tamil Nadu Electricity Distribution Code"

II. The provisions of this Code shall come into effect on the date of its publication in the Tamil Nadu Government Gazette

2. Definitions

(1) In this Code, unless the context otherwise requires:

(a) "Act" means The Electricity Act, 2003 (Central Act 36 of 2003);

(b) "Agreement" means with its grammatical variations and cognate expressions an agreement entered into by the Licensee and the consumer;

(c) "Apparatus" means electrical apparatus and includes all machines, fittings, accessories and appliances in which conductors are used;

(d) "Area of supply" means the area within which a Licensee is for the time being authorized by his/her licence to supply electrical energy;

(e) "Code" means the Tamil Nadu Electricity Distribution Code;

(f) "Commission" means the Tamil Nadu Electricity Regulatory Commission;

(g) "Conductor" means any wire, cable, bar, tube, rail or plate used for conducting energy and so arranged as to be electrically connected to a system;

(h) "Connected Load" means the aggregate of the manufacturer's rating of all equipments connected to the consumer's installation and of all portable equipments and also the capacity of the power source required to test manufactured products and repaired equipment in the installation;

Explanation: Where the rating is in terms of KVA, it shall be converted to KW by multiplying it by a power factor of 0.9 and where the rating is in terms of HP, it shall be converted to KW by multiplying it by a factor of 0.746.

(i) "Connection Point" means the point at which the Consumer's plant or apparatus is connected to the Licensee's supply system.

(j) "Contracted Load" means the load specified in the agreement between the consumer and the Licensee engaged in the business of supplying electricity to him.

(k) "Consumer's installation" means any composite electrical unit including the electric wires, fittings, motors and equipments erected and wired by or on behalf of the consumer in one and the same premises.

(l) "Consumer's premises" means the area served by a service connection;

(m) "Control Person" means a person identified as having responsibility for cross boundary safety;

(n) Demand

a. "Average Demand" for the month means the ratio of the total kilowatt-hours consumed in the month to the total hours in the month.

b. "Maximum Demand" in a month means the highest value of the average Kilovolt- amperes in case of HT services and KW in case of LT services, delivered at the point of supply of the consumer during any consecutive thirty / fifteen minutes in a month depending on the nature of load.

c. "Permitted Demand," means the demand permitted by the Licensee taking into account the constraints in the transmission and distribution network.

d. "Sanctioned Demand" or "Contracted Demand" means the demand sanctioned by the Licensee and specified in the agreement.

(o) "Designated Authority of the Licensee" means an authority who has been notified as such by the Licensee in the manner prescribed by the Commission to exercise powers under specific provisions of this Code;

(p) "Emergency" means a situation arising out of threat to security of State, public order or a natural calamity or such other situation arising in the public interest which is likely to disrupt supply of electricity:

(q) <sup>1</sup>["Engineer" means an engineer, by whatever name designated, employed by the distribution licensee and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code.]

(r) "Extra High Tension (EHT) consumer" means a consumer who obtains supply from the Licensee at Extra High Voltage.

(s) "High Tension (HT) consumer" means a consumer who obtains supply from the Licensee at High Voltage.

(t) "Low Tension (LT) consumer" means a consumer who obtains supply from the Licensee at Low or Medium Voltage:

(u) "Load" means connected load or contracted load, as the case may be;

(v) "Load Factor" means the ratio of the Average Demand for the month in terms of Kilowatts to the Maximum Demand for the month in terms of Kilowatts. The 'Load Factor' shall be calculated to three decimal places and rounded off to two decimal places.

(w) "Month" unless the context otherwise requires, shall mean a month reckoned according to the British Calendar. With reference to billing and payment, it shall mean the period between the date of meter reading in a particular month and the corresponding date of meter reading of the immediately succeeding or preceding month, as the context requires.

(x) "Occupier" means the person in occupation (whether as owner or otherwise) of the premises where electricity is used or intended to be used.

(y) "Operational boundary" means the boundary between the equipment and apparatus operated by the Licensee and those operated by the Consumer.

(z) "Power Factor" means the ratio of the real power to the apparent power and average power factor means the ratio of the Kilowatt-hours to the Kilovolt-ampere-hours consumed during the billing month.

(aa) "SSLDC" means State's Sub Load Dispatch Center for local control at various places in Tamil Nadu.

(bb) "SLDC" means State Load Dispatch Center at Chennai

(cc) "Voltage"

★ "Low Voltage" where the voltage does not exceed 250 volts under normal conditions.

★ "Medium Voltage" where the voltage is higher than 250 volts and does not exceed 650 volts under normal conditions

★ "High Voltage" where the voltage is more than 650 volts and does not exceed 33,000 volts under normal conditions

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

"Engineer" means an engineer, by whatever name designated, employed by the Licensee possessing such qualifications as are approved by the Commission and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code

★ "Extra High Voltage" where the voltage exceeds 33,000 volts under normal conditions

(dd) "Year" means a year commencing on the first day of April.

Words and expressions used in this Code but not defined either in this Code or the Act or the General Clauses Act 1897(Central Act 10 of 1897) shall have the same meanings as understood in engineering and commercial circles.

## Chapter 2: Entities pertaining to Distribution

3. Entities involved in distribution and their respective roles: The following are the entities involved in the distribution of electricity and their respective roles, -

(1) State Load Dispatch Center (SLDC): It is the apex body to ensure integrated operation of the power system in the State. Its functions as assigned to it under the Act are-

- a. Be responsible for optimum scheduling and despatch of electricity within the State, in accordance with the contracts entered into with the Licensees or the Generating Companies operating in the state;
- b. Monitor grid operations;
- c. Keep accounts of the quantity of electricity transmitted through the State Grid.
- d. Exercise supervision and control over the intra-State transmission system and
- e. Be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State Grid in accordance with the grid standards and Tamil Nadu Electricity Grid Code (TNEGC)

It is vested with the power to levy and collect such fees and charges from the Generating Companies and Licensees engaged in intra state transmission of electricity, which may be specified by the Commission.

In addition to the above, it shall also keep accounts of the consumers / licensees / persons engaged in generation and traders involved in open access transactions.

(2) State Sub Load Dispatch Center (SSLDC): It is a body sub ordinate to SLDC to perform, under the supervision, control and direction of the State Load Despatch Center, its functions in any specified area in the State. It shall also collect necessary data relevant to the SLDC, make operational analysis and report to SLDC.

(3) State Transmission Utility (STU): Its functions are to-

- (a) undertake transmission of energy through intra-State transmission system (ISTS);
- (b) discharge all functions of planning and coordination of ISTS taking into account the national power plans and guide lines issued by Central Electricity Authority (CEA), in co ordination with all the concerned organizations;
- (c) ensure development of an efficient coordinated economical system of intra state transmission lines for smooth flow of electricity from Generating sources to Load Centers;
- (d) provide non-discriminatory open access to its Transmission systems for use by (i) any Licensee or generating company on payment of the transmission charges; or (ii) any consumer as and when such open access is introduced by the Commission under sub-section 2 of section 42 of the Act on payment of the transmission charges and a surcharge thereon as may be specified by the Commission.
- (e) implement the Code with respect to the Distribution Licensees and oversee for prudent practices and grid discipline;
- (f) facilitate review and recommend amendments to the Code to Commission without prejudice to the provisions in clause 51 of this code
- (g) recommend for issue of distribution licenses;
- (h) supervise, direct and control the works of construction, operation and maintenance of any ISTS and ;
- (i) take measures for resolution of issues arising due to non-compliance of operational / commercial provisions of the Code by the respective entities.

(4) Distribution Licensees:

The duties of the Distribution Licensee are-

- i. To develop and maintain an efficient coordinated and economical distribution system in his/her area of supply and to supply electricity in accordance with the provisions contained in the Act.
- ii. To implement the code with respect to the requirements from the consumers and oversee for prudent practices and code discipline.
- iii. To facilitate review and recommend to the Commission amendments to the code without prejudice to the provisions in clause 51 of this code.
- iv. To ensure that the consumer installations comply with the requirements of the code at the time of effecting service connection.
- v. To take measures for resolution of issues arising due to non-compliance of operational / commercial / technical regulations of the code by the various sections of consumers in their jurisdiction.



vi. To allow the Distribution lines to be used as common carrier as and when the Commission introduce non-discriminatory open access to any of the consumer in his/her area to get supply from other Licensees / Generating Companies outside his/her area.

(5) Tamil Nadu Electricity Regulatory Commission (TNERC):

The functions of Commission as set out in the Act and rules made there under and in particular, to,-

- (i) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk, and retail as the case may be within the State;
- (ii) introduce non-discriminatory open access as per the provisions contained in the Act and in phases. Where open access has been provided to a category of consumer, the Commission shall determine the wheeling charges and surcharge thereon;
- (iii) <sup>1</sup>[regulate electricity purchase and procurement process of distribution licensees including the price at which the electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;]
- (iv) facilitate intra state transmission and wheeling of electricity;
- (v) specify and enforce standards with respect to quality, continuity and reliability of service by Licensees.

Chapter 3 : Distribution System Planning

4. Distribution System Planning

(1) The main Objectives for the distribution system planning are to ,-

- a. plan, design and develop the distribution system so that it may be operated in an economical, safe and reliable manner conforming to the relevant Act and rules there under,
- b. specify technical conditions, which enable the licensee and consumers to meet set standards for efficient operation of the electrical interface between them
- c. <sup>2</sup>[define the procedure for the exchange of data on system planning between the Licensee and consumers of the distribution system.]
- d. provide sufficient information for a consumer to access opportunities for connection.
- e. establish methods through which the Licensee shall coordinate with the STU, which includes furnishing of data required by the Commission/ or the Authority.

(2) These guidelines of planning cover the individual sub-stations, system planning, analysis and the techno economical

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<sup>1</sup> Substituted as per Commission's Notification No. TNERC/DC/8-8 dated 8.2.2008 (w.e.f. 27.2.2008) which before substitution stood as under:

"iii) regulate electricity purchase and procurement process of distribution licensees including the price at which the electricity shall be procured from the generating companies or licensees or from other sources through agreements for power purchase;"

<sup>2</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8 dated 8.2.2008 (w.e.f. 27.2.2008) which before substitution stood as under:

c. "define the procedure for the exchange of system planning data between the Licensee and consumers of the distribution system."  
aspects in the field of Distribution systems. It applies to all the consumers already connected or awaiting or seeking connection to the distribution system, Distribution Licensees and State Transmission Utility (STU), wherever it is applicable.

5. Distribution Planning Framework

(1) The main areas, which require a careful network planning, and analysis:

(a) Networking extension planning – newly built networks or extension of already existing network or configuration of the existing network to meet the changed load or feeder situation or operational existence.

(b) Network component design

(c) <sup>1</sup>[Providing solutions for operational problems like low voltage, inadequate short circuit withstand capability, power swings and protection selectivity errors.]

(2) Networks are generally extended over several stages. The operational conditions are then simulated for this future load forecast. This step will facilitate the fulfilling of all the operational conditions after Commissioning of the new extension stage. A careful network analysis provides the decision aids for selecting the most reliable and cost effective solution from among several configurations. To dimension the individual components like transformer, cables and switchgear and to provide an optimal solution for the total system, an extensive analysis of the network is often necessary.

The system-planning wing,

- (a) examines the operational behavior of electrical systems both in normal operation and under fault condition
- (b) proposes remedial measures, if the operational conditions do not conform to the requirements for quality supply.
- (c) promotes the development of components by examining operational conditions and equipment requirements,
- (d) advises in system configuration, system structuring and component design questions and,
- (e) plans the extension of already existing systems as well as the new construction of supply systems within the framework of the total system.

(3) Intensive sessions are required to be held to clarify the task situation and it may be processed in direct contact with the <sup>2</sup>[direct customer as defined in clause (e) of regulation 2 of the Tamil Nadu Electricity Regulatory Commission – Intra State Open Access Regulations 2005].

Distribution network are cost intensive and hence they require long term planning. The location and nature of the connected loads on the quality and reliability of the power requirement determine the structure of the distribution network.

- (4) The system planning is also necessary in the cases that include
  - (a) Network modernization and upgrading.
  - (b) Changes in operational and protection philosophy or neutral grounding.

The tasks, problems and activities related to Network Expansion planning, component design and operational problems are brought out as follows.

<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

(c) Providing solutions for operational problems like low voltage and short circuit withstand capability, power swings and protection selectivity errors.

<sup>2</sup>Substituted for the expression "customer also" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

S.No	Description	Tasks and Problems	Activities
1	Expansion planning	Load increase New transformer, substations Integratiperipheral_Networks Cable relayingModernization of substationsNetwork couplingPower station extension <sup>1</sup> [upgrading the voltage level]	Network documentationGraphic Information SystemNetwork calculations for load flow and short-circuit.Dynamic networkCalculations.
2	Component design	Circuit-breaker stressCable cross section Transformer sizeNeutral earthing resistor	StabilityFault analysisRelay coordination studies
3	Operational problems	Substation faultsVoltage qualityHarmonicsEarthing problemsMotor startingPower swingsFrequency of occurrence of faultsFault trippingOverloadsOver voltages	Harmonics analysis Harmonics filter design Earthing measurement Network configuration Substation designEconomic analysis Relay selection <sup>2</sup> [provision of effective earthing] Insulation coordination

(5) Stages involved in network expansion planning

(a) <sup>3</sup>[Defining the task]

(b) <sup>4</sup>[Commencing] the planning task which consists of:

- (i) Recording of the status of the existing distribution network and analysis of its operational situation
- (ii) Load forecast and analysis – Compilation of data on the characteristic features of the loads that will be incident in the near future and that of the existing loads;
- (iii) Estimation of load development
- (iv) Examination of the alternative options
- (v) Checking the issues involved in the above options and also the feasibility of introducing a new transformer, enhancement of existing transformer capacity etc.
- (vi) Establishment of site location and new substation design.
- (vii) Modification / Redesign of sub-transmission and distribution networks and its protective arrangement including protective relay setting and coordination.
- (viii) Study on alternatives for least cost investment.
- (ix) Assessment of operational advantages and disadvantages and anticipated supply reliability levels of various options
- (x) Investment planning
- (xi) Procurement of the required network components

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<sup>1</sup>Substituted for the expression "High Voltage level" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Substituted for the expression "Handling of Neutral point" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted for the clause "Define the task" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>4</sup>Substituted for the expression "Commence" as per Commission's Notification No. TNERC /DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

6. Planning process:

The system planning considerations are -

(1) Load Forecast

It commences with a forecast of the anticipated load requirements (both demand and energy). The Licensee shall forecast the demand for power within the area of supply, annually or more frequently, if required by the Commission, in each of the succeeding five years. The Licensee shall prepare a demand forecast and generally follow the procedures set out herein. The licensee shall create a database of loads for each consumer category and for each distribution substation and update it annually.

(2) Load Research:

The Licensee shall develop a load research program with the objective of obtaining customer load profile data that provides the usage characteristics of specific appliances, consumers and group of consumers. This load research will also facilitate,

- (a) Demand status according to end use at the hour of system peak, daily, monthly, seasonally or annually
- (b) Hourly end use demand for the day of the system peak, monthly, seasonally or annually
- (c) Hourly end use demand for the average day of the system peak, monthly, seasonal or annually.
- (d) Category wise diverse or coincidence factors and load factors
- (e) Total energy consumption for each category of consumer by month, season or year.
- (f) Category wise non-coincident peak demands.

(3) Load Data:

From the metering data collected at each connection point with the transmission system, the Licensee shall develop load curves for the area fed and also the system load curve for the area of supply in point by applying a suitable diversity factor. By reconciling the figure for actual energy sales with the drawal based on the metering data <sup>1</sup>[compiled], approximate losses in the system may be arrived at for any period. This data shall be furnished to the STU and the Commission annually. All the consumers with a demand of 1 MW and above seeking connection shall furnish their load data to the Licensee, as detailed in Annexure I. The Licensee shall exercise special care in monitoring the actual development of loads in respect of consumers who desire to contract for loads of 1 MW and above at any single point. On demand by the consumer seeking connection, the Licensee shall furnish relevant system data as detailed in Annexure – II. The Licensee shall update the system data at least once in every six months.

(4) Forecast Methodology:

The Licensee shall formulate the long-term demand forecast taking into account the previous financial year ending March 31<sup>st</sup> as the Base Year and projecting the demand over the succeeding five years.

(a) Energy Sales per tariff class shall be projected in the forecast period over the corresponding figures relating to the Base Year by adopting a suitable methodology, such as considering the trend for the previous five years.

(b) The projections shall take into account assumed normal growth for non-specific loads, specific and identified loads of 1 MW and above and also the effects if any, of Demand side management and Loss reduction measures.

(c) The Licensee shall compare the aggregate energy requirement at each of the connection points with the transmission system after accounting for system losses. The future peak load in each of the years in the forecast period may be derived using an Annual Load Factor.

(d) The Licensee shall take into consideration any authenticated report on demand forecast or Power survey carried out by agencies like Advisory Board on Energy, Planning Commission, Central Electricity Authority, STU, Commission, CERC and Government of Tamil Nadu.

The Licensee shall forward the long term demand forecast for the area of supply on an annual basis to the STU and the Commission, along with the details as indicated below.

- (i) Data
- (ii) Methodology
- (iii) Assumptions

The Licensee under the conditions of the licence shall co-operate with the STU in the preparation of demand forecasts for the State of Tamil Nadu. The format for the demand and energy forecasts shall be specified by the STU.

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<sup>1</sup>Substituted for the expression "compiled" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

(5) Planning Criteria and performance bases :

The planning criteria for the distribution system as specified <sup>1</sup>[by the Commission] shall form the basis. The performance bases to be considered in the system planning are as follows:

(a) The Distribution performances established herein shall be implemented in a manner so as to ensure that no entities are forced to achieve goals beyond the capability and limitations of the current system in the immediate future while continuing to strive for the higher standards by improving their system in the long term. As for the existing arrangements, the implementation can be in stages and shall be determined by the Commission.

(b) The capacity of step down transformers used in the distribution system and the layout of bus bars, switchgear, transformers, capacitors, earthing system, surge arrestors, control panels, station battery, fire extinguishers and other accessories required for the protection and safe operation of the substations shall as far as possible be standardized by the Licensees and shall conform to the guidelines and principles contained in the Code. The Commission, in specific cases and to ensure uniform adoption, can however specify the standards to be adopted.

(c) While planning the distribution system, the Licensee shall examine the cost effectiveness of loss reduction measures without compromising the security standards. The Licensee shall take measures to reduce the length of low tension bare conductor, overhead lines, wherever cost effective and these shall include but not limited to the following:

- (i) Achievement of HT: LT ratio to the level of 1 to 1.5
- (ii) Laying of underground cables
- (iii) Increasing the number of low loss distribution transformers.

(d) Substation Design Criteria: HV substations, Sub transmission, primary and secondary distribution shall be designed taking into account the following factors:

- (i) Safety of Operating Personnel
- (ii) Adequate cross section of Busbar to meet the electrical and mechanical requirements.
- (iii) Mechanical and electrical interlocks to prevent inadvertent operation of equipments including switches .
- <sup>2</sup>[iii - a) Adequate Protection System with proper insulation co-ordination]
- (iv) Adequate Flexibility in operation and maintenance.
- (v) Operation and Maintenance needs.
- (vi) Space for future expansion

Substation layouts shall comply with the safety measures specified by the Authority under section 53 <sup>3</sup>[of the Act.]

(e) Distribution Line Clearances: Overhead lines shall comply with the safety measures specified by the Authority under section 53 <sup>2</sup>[of the Act].

(f) Earthing : <sup>4</sup>[The distribution system shall be effectively earthed in accordance with the Indian Standards in force, substation earth mat shall be designed to have a low overall impedance / resistance and to have a minimum transient ground potential rise (TGPR) during fault, giving rise to only permissible safe touch and step potential]. All individual earth electrodes, earthing pits and interconnection arrangements shall be correctly installed and maintained. The bodies, cases, trucks and enclosures of all equipment shall be properly earthed in accordance with the system requirements and equipment ratings. Metallic line supports of overhead lines, cable sheaths and shields shall also be earthed in a proper manner. Connections may be compressed using crimping tool, welded, braced, or bolted using suitable lock washers/ locknuts. Bolts should not be used for buried connections.

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<sup>1</sup>Substituted for the expression "by Commission" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted for the expression "of Act" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>4</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

The distribution system shall be properly earthed in accordance with the Indian Standards in force, substation earth mats shall be designed to provide the required earth resistance and limit the ground potential rise limited by Touch and Step potential criteria as per standards

7. Connectivity Conditions: The Connectivity Conditions specify the minimum technical and design criteria, which shall be complied by any agency connected to, or seeking connection to the Distribution System. The Licensee shall ensure compliance of the above criteria by any agency as a pre-requisite for the establishment of an agreed connection. The terms and conditions of supply under Chapter 6 of this code shall be read in conjunction with this chapter. The connectivity conditions shall fulfill the requirement stipulated in section 50 and 53 of the Act. The Connectivity Conditions are provided to ensure that:

(a) The basic rules for connections are complied by all agencies. This will help to treat all agencies in a non-discriminatory manner.

(b) Any new or modified connection, when established, shall not suffer unacceptable effects due to its connection to the Distribution System nor produce unacceptable effects on the system or any other connected agency.

(c) The ownership and responsibility for all the equipments, shall be clearly specified in a schedule (site responsibility schedule) for every site, where a connection is made.

<sup>3</sup> [8. Distribution System Interface with Generators:-

The generators may be permitted to evacuate the power by interfacing with the distribution system. They shall comply with the norms specified by the Commission and the Authority for capacity, connectivity, safety etc.:

Provided that such generators, including those with captive loads within the premises, barring the generators injecting to the grid through net metering system, shall be connected to the substation through a separate feeder, and no other distribution load shall be connected to this feeder.]<sup>3</sup>

9. Distribution Systems protection arrangement:

(1) Protection of the distribution system and the consumer's system shall be well coordinated. Individual protection schemes shall have adequate selectivity, sensitivity and reliability and speed of operation to disconnect the faulty equipment/circuit from the healthy system. No item of electrical equipment shall be allowed to remain connected to the distribution system unless it is covered by appropriate protection scheme.

(2) In the distribution system protection for lines / U.G cables, transformers and other equipments shall be followed by the Licensee, and by the consumers of the distribution system as well in accordance with the provisions made in TNEGC. The distribution system relay setting shall be coordinated with that of STU and it shall be endorsed by STU and SLDC.

(3) Every consumer within the area of supply of the Licensee who are availing / desire to avail of supply at 66KV, 110 KV, 230 KV level shall furnish the details of their equipment protection schemes to the Licensee and get approved before the connection is effected. On demand, the Licensee shall provide similar protection data relating to their distribution systems to any consumer seeking the above connection.

(4) The Licensee and the EHT consumers of the distribution system shall attend the protection co-ordination meetings as and when called upon to do so by the STU / SLDC to discuss all related issues and take remedial measures as discussed and agreed to in such meetings.

10. Operational Labeling:—The Licensee and the consumers shall be responsible for the provision and maintenance of clear, unambiguous signs and labels indicating the numbering and / or name of the equipment / apparatus and circuit at the substations and connection sites.

11. Metering:—<sup>2</sup>[The minimum requirement of metering for substations in distribution system, Generating station and higher voltage consumer shall conform to the requirement stipulated in Tamil Nadu Electricity Grid Code (TNEGC)].

12. Communication: Reliable communication links shall be established for the exchange of data, information and operating instructions between the Licensees, consumers with demand of 1 MW and above, the load control centers of the Distribution Licensee and the SLDC / SSLDC, as the case may be.

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<sup>1</sup>Substituted for the expression "non-conventional" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

The minimum requirement of commercial and operational metering at distribution system substations and higher voltage consumer's sub stations shall conform to the requirement stipulated in Tamil Nadu Electricity Grid Code (TNEGC)

<sup>3</sup>Substituted as per Commission's Notification No. TNERC/DC/8-22, dated 23-1-2015 (w.e.f. 25-2-2015) which before substitution stood as under:

8. Distribution System Interface with Small Generators—The electricity generated by the private developers pertaining to power projects based on <sup>1</sup>[renewable] energy sources of wind, biomass etc or captive power plants shall be evacuated by interfacing with the distribution system or intra state grid. The voltage levels, connection points and connectivity conditions, safety etc., for such interfacing shall comply with the conditions laid down under Tamil Nadu Electricity Grid Code (TNEGC) and the regulations issued by the Authority in this regard.

13. The Licensee shall monitor the voltage, frequency and power factor in the distribution system at different points, during the peak and off peak hours and take all reasonable measures for the improvement of the same, if it falls below the prescribed

level continuously.

(1) Voltage: The variation in the voltage levels in the distribution system may depend upon the available VAR generation, system loads and configuration of the transmission system and distribution system. Under normal operating conditions the Licensee shall exercise proper voltage monitoring and control in the distribution system beyond the point of interconnection so as to maintain voltage at all levels in accordance with the Standards of Performance specified by the Commission. The means adopted shall include.

- (a) Use of transformers equipped with tap changers (on load /Off Load).
- (b) Balancing of loads between phases of the LT network.
- (c) Limiting KVA- km loading of the circuits
- (d) Reduction of overloaded transformers by planning and installing additional distribution transformers.
- (e) By installing the required regulating transformers (Boosters) and synchronous Condensers at appropriate locations.
- (f) Installation of shunt capacitors / Capacitor banks at optimum locations depending upon the requirement of VAR compensation in the network

(g) <sup>1</sup>[Provision of switched/fixed capacitor, as the case may be, on the (secondary) LV side of Distribution Transformers.]

(2) Frequency: The Licensee shall abide by the instructions issued by the SLDC on load frequency control for maintaining the supply frequency within the statutory limits either by resorting to load shedding or by rolling blackouts.

(3) Power Factor: The Licensee shall maintain the system power factor at the level of minimum of 0.9 (Lag) at the interface/s and carry out system improvement measures at strategic points in the distribution system by undertaking useful system studies and installing the required VAR compensation equipment to meet the situation. The Licensee shall also counsel and <sup>2</sup>[advise the consumers] on the ways and means to improve the power factor in their respective systems to the required level. It shall be obligatory on the part of the consumers to improve the power factor of their connected loads to the required level in accordance <sup>3</sup>[with the provisions] made in this code. Every consumer with a power factor less than the stipulated level may be suitably advised to rectify the situation by installing appropriate power factor correction equipment, without prejudice to the levy of compensation charges as per the orders of the Commission from time to time.

(4) Special Conditions: Special conditions shall be incorporated in the connection agreement for loads with high harmonic content, low power factor and unacceptable supply voltage and frequency fluctuations, so that the consumer shall be forced to install appropriate correction equipments to meet the requirements of this Code.

<sup>4</sup>[14] Demand Side Management: The Licensee shall make suitable provisions in the Service Connection Agreements to make it mandatory on the part of selected categories of consumers with a contracted Demand over and above a specified KVA limit (to be specified <sup>5</sup>[by the Commission]) to carry out an Energy Audit at their establishment for in-plant load management and for carrying out end use energy efficiency / conservation measures. On their part, the Licensee shall provide such consumers with relevant information relating to energy audits and its methodologies and the financial incentives offered by recognized financial institutions, banks and other government organizations.

## **Chapter 5: Operation Guidelines for Distribution System**

15. The procedures and practices to be followed by the Licensees and consumers whose electric lines and electrical plants are connected to the Licensee's distribution system for safe and efficient operation of their respective systems are -,

(1) Demand Estimation: The Licensee shall provide to the SLDC / SSLDC, its projection of demand on a year ahead, month ahead and day ahead basis. The time frames for such submission, as set out in the TNEGC shall be adhered to by the Licensee. The SLDC or SSLDC shall be the agency to receive the details from the licensees or issue directions to the Licensees as the case may be in line with the requirements prescribed in this chapter on Operational Guidelines and as per the provisions of the relevant Code. On demand, the <sup>6</sup>[consumers concerned] shall furnish these data to the Licensees. The Licensee shall estimate its hourly and daily demand on the basis of relevant load curves drawn on a day ahead basis, subject to modification depending upon information received from any specific consumer or caused by any untoward incident / contingency.

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

g. Provision of switched capacitor on the (secondary) LV side of Distribution Transformers

<sup>2</sup>Substituted for the expression "advise consumers" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted for the expression "with provisions" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>4</sup>Substituted for the expression "13" ie. renumbered as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>5</sup>Substituted for the expression "by Commission" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>6</sup>Substituted for the expression "concerned consumer" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

(2) Scheduled Shutdown Programs: The Licensee shall furnish the proposed (planned) outage (scheduled shutdown) programs to the STU/ SLDC as specified in TNEGC. Planned outage programs shall furnish clearly the details of the electric

lines/cables and the equipments of the distribution system that will be taken out of service, and other details of the planned interruption namely the date, duration and quantum of load that may be limited/restricted at any interconnection during this planned interruption.

(3) Contingency Planning: The contingencies in the distribution system are mainly due to:

- a. Total or partial blackout of intra transmission or inter transmission network. (Loss of generating sources)
- b. <sup>1</sup>[Failure of network components like Breakers, Power Transformers, Current Transformers, Potential Transformers and lines in the transmission system.
- c. Breakdown of components like Distribution Transformers, lines, etc. in the distribution system].

The procedure to be followed during such contingencies for the restoration of supply is detailed in the sections to follow

(4) Intra / Inter Transmission System outage: In regard to the restoration of supply during the total black out at any point of interconnection, the Licensee shall abide by the black start procedures framed by the STU / SLDC. Likewise, the Licensee shall follow the guidelines provided by the STU during the outage of the apparatus or lines/cables in the above networks. The licensees may also follow an approved Demand Side Management, Load shedding, rolling blackouts and other measures.

(5) Distribution System Outage: The interruption of the power supply to any part of the distribution system lasting more than an hour, due to the breakdown of any part of the distribution system/its components, may be termed as distribution system failure and the Licensee shall evolve a suitable supply restoration procedure for such distribution system failures under intimation to the Commission.

(6) Demand Management / Load Shedding: On getting directions from the SLDC rolling blackouts for short duration shall be carried out by the Licensees to maintain the load generation balance and security of the network. This may also be necessary due to the loss of any circuit, equipment or any other operational contingency that may occur in their Distribution Networks also. The Licensee shall estimate the loads that may be shed in discrete blocks at each interconnection point after consultation with the consumers if possible and submit the same to the SLDC. The consumers shall co-operate with the Licensee in this regard. The Licensee shall work out the modalities of the load shedding. A detailed procedure shall also be furnished to the SLDC and other officials in charge of the downstream substations of the Licensee, where such load shedding / rolling blackout are to be carried out. When provisions are available for the automatic load shedding with the aid of under frequency relays, the circuits involved and the quantum of load to be shed shall be intimated to the SLDC and <sup>2</sup>[officials] in charge of downstream substations of the Licensee. The settings adopted for the UF relays shall also be furnished. If any constraint or bottleneck in the transmission system and/or distribution system, warrants rotational load shedding then it shall be resorted to by the Licensees in their distribution system. On such occasions, the public shall be promptly informed of such arrangements through the media. <sup>3</sup>[Consumers] with <sup>4</sup>[contracted demand] of 1 MW and above and essential services such as hospital, public water works etc. shall be notified through telephone/ fax/ e-mail or any other communication systems.

16. Safety Aspects: —

(1) Provisions with respect to safety and electricity supply is dealt in detail under section 53 of the Electricity Act, which reads as:

“ (1) The Authority may in consultation with the State Government, specify suitable measures for –

(a) Protecting the public (including the persons engaged in the generation, transmission or distribution or trading) from dangers arising from the generation, transmission or distribution or trading of electricity, or use of electricity supplied or installation, maintenance or use of any electric line or electrical plant;

(b) Eliminating or reducing the risks of personal injury to any person, or damage to property of any person or interference with use of such property;

(c) Prohibiting the supply or transmission of electricity except by means of a system which conforms to the specification as may be specified;

(d) Giving notice in the specified form to the Appropriate Commission and the Electrical Inspector, of accidents and failures of supplies or transmissions of electricity;

(e) Keeping by a generating company or licensee the maps, plans and sections relating to supply or transmission of electricity;

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

- b. Failure of network components like breakers, lines and UG cables in the transmission system
- c. Breakdown of components in the distribution system

<sup>2</sup>Substituted for the expression “officials persons” as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted for the expression “Large consumers” as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>4</sup>Substituted for the expression “contract demands” as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

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(f) Inspection of maps, plans and sections by any person authorized by it or by Electrical Inspector or by any person on



payment of specified fee;

(g) Specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing a risk of personal injury or damage to property or interference with its use;"

(2) The measures specified by the Authority, in accordance with the above provision shall form the basis for safety. Primary focus should be laid on safety in all the works related to the location, erection, installation, operation and maintenance of the equipments, devices and other network components at the consumer's mains/premises. Safety of the end users, operating personnel and public shall be given focused attention. Adequate training will be imparted to the operating personnel with the adoption of relevant operating techniques and safety procedures / precautions necessary for satisfactory operation of the system and its equipments which include cross boundary connections and interface points as applicable.

(3) Safety co-ordination: The salient aspects involved in safety co-ordination are:

(a) The Licensee and the consumers of the distribution system shall observe safety rules, practices and precautions when work is to be carried out on any apparatus or circuits in any part of the distribution system or in any part of the consumer system.

(b) The objective of this safety co-ordination is to enforce the principles of safety as prescribed in the measures specified under section 53 of the Act and practices for their implementation.

(c) <sup>1</sup>[There shall be proper co-ordination between operating personnel of the Licensee and the consumers, between two distribution licensees across common control boundaries, for carrying out work on any apparatus, switchgear, or circuits belonging to each party at the point of interconnection or interface].

(d) The Licensee shall follow the provisions of the TNEGC for cross boundary operations in co-ordination with the STU

(e) The Licensee, all consumers and any other distribution Licensee having common electrical interface with the Licensee shall designate suitable persons to be responsible for safety co-ordination. These persons shall be referred to as control persons. The list of control persons, their designation and telephone numbers shall be exchanged between all <sup>2</sup>[persons concerned]. Any change in the list shall be notified promptly to all concerned.

(f) The disconnecting device / or devices shall be provided at each electrical interface, which shall be capable of effectively disconnecting the system of the Licensee and other consumers and grounding the respective system at the common boundary. These devices shall be identified and marked by the Licensee and respective consumer and shall be maintained in good condition at all times. Such disconnecting devices shall be provided with interlocks to prevent inadvertent switching operations by unauthorized persons.

(g) Permission in writing shall be issued by the appropriate control person at the electrical interface to his/her counterpart responsible for carrying out work on any apparatus, switchgear or circuits beyond the electrical interface. Such permissions shall be termed as Line Clear Permits (LCP). The format of the LCP shall be standardized by the Licensee and shall be used by all concerned. Detailed rules framed by the Licensee pertaining to such works and Line Clear Permits (LCPs) shall be circulated to its personnel as part of its internal administration.

(h) A list containing the names and other details of the Officers/staff who are authorized to issue / get LCPs on the apparatus, lines and cables may be <sup>3</sup>[displayed] at an apt location in the substation.

(i) The Licensee shall formulate a checklist of operations to be carried out before the issue and return of LCPs and procedures for safety co-ordination for each electrical interface. Such procedures and checklist shall be issued to all concerned, by the Licensee, for implementation.

(j) The Licensee shall prepare a safety manual incorporating all operating procedures in addition to safety rules and safety precautions applicable to its distribution system and the Consumer's system and circulate the same among <sup>4</sup>[all staff concerned] and Consumers for strict adherence.

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

There shall be proper co-ordination between operating personal of the Licensee and the consumers, between two distribution licensees across common control boundaries, for carrying out work on any apparatus, switchgear, or circuits belonging to each party at the point of interconnection or interface point.

<sup>2</sup>Substituted for the expression "concerned persons" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted for the expression "hung" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

<sup>4</sup>Substituted for the expression "all concerned staff" as per Commission's Notification No. TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)

(k) The Licensee shall devise and maintain uniform operating procedure for switching, isolation, and restoration, live line working and test charge of defective lines/apparatus duly incorporating the safety aspects.

17. Protective clauses as applicable to Railways, Highways, Airport, telegraphic signaling line etc., are as follows:

(1) Protection of Railways, Highways, Airport, etc. as set out in section 159 of the Act reads as:

"No person shall, in the generation, transmission, distribution, supply or use of electricity, in any way injure any railway, highway, airports, tramway, canal or water-way or any dock, wharf or pier vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, airway, tramway, canal or water-way."

(2) Protection of telegraphic, telephonic and electric signaling lines as set out in section 160 of the Act reads as:

(1) Every person generating, transmitting, distributing, supplying or using electricity (hereinafter in this section referred to as the "operator") shall take all reasonable precautions in constructing, laying down and placing his/her electric lines, electrical plant and other works and in working his/her system, so as not injuriously to affect, whether by induction or otherwise, the working of any wire or line used for the purpose of telegraphic, telephone or electric signaling communication, or the currents in such wire or line.

(2) Where any difference or dispute arises between the operator, and the telegraph authority as to whether the operator has constructed, laid down or placed his/her electric lines, electrical plant or other works, or worked his/her system, in contravention of sub-section (1), or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Central Government and the Central Government, unless it is of opinion that the wire or line has been placed in unreasonable proximity to the electric lines, electrical plant or works of the operator after the construction of such lines, plant or works, may direct the operator to make such alterations in, or additions to, his/her system as may be necessary in order to comply with the provisions of this section, and the operator shall make such alterations or additions accordingly:

Provided that nothing in this sub-section shall apply to the repair, renewal or amendment of any electric line or electrical plant so long as the course of the electric line or electrical plant and the amount and nature of the electricity transmitted thereby are not altered.

(3) Where the operator makes default in complying with the requirements of this section, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration

Explanation.—For the purposes of this section, a telegraph line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signaling communication by means of such line is, whether through induction or otherwise, prejudicially interfered with by an electric line, electrical plant or other work or by any use made thereof."

18. Accident Reporting: Notice of accidents and inquiries as set out in section 161 of the Act reads as:

(1) If any accident occurs in connection with the generation, transmission, distribution, supply or use of electricity in or in connection with, any part of the electric lines or electrical plant of any person and the accident results or is likely to have resulted in loss of human or animal life or in any injury to a human being or an animal, such person shall give notice of the occurrence and of any such loss or injury actually caused by the accident, in such form and within such time as may be prescribed, to the Electrical Inspector or such other person as aforesaid and to such other authorities as the Appropriate Government may by general or special order, direct.

(2) The Appropriate Government may, if it thinks fit, require any Electrical Inspector, or any other person appointed by it in this behalf, to inquire and report—

(a) As to the cause of any accident affecting the safety of the public, which may have been occasioned by or in connection with, the generation, transmission, distribution, supply or use of electricity, or

(b) As to the manner in, and extent to, which the provisions of this Act or rules and regulations made hereunder or of any licence, so far as those provisions affect the safety of any person, have been complied with.

(3) Every Electrical Inspector or other person holding an inquiry under sub-section (2) shall have all the powers of a civil court under the Code of Civil Procedure, 1908 ( 5 Of 1908 ) for the purpose of enforcing the attendance of witnesses and compelling the production of documents and material objects, and every person required by an Electrical Inspector be legally bound to do so within the meaning of section 176 of the Indian Penal Code (45 of 1860).

19. Major Incident Reporting:—

(1) The reporting on major incidents shall conform to the provisions under section 53 and 160 of the Act. Among the incidents that would affect the distribution system are:

(i) Aberrations/deviations in system voltage and frequency level. (Both for HV and LV networks <sup>1</sup>[exceeding the set tolerance levels]).

(ii) Major breakdowns in the distribution system.

(iii) Major deviations of load drawal from any interconnection relative to the day ahead estimation of demand furnished by the Licensee to the STU / SLDC.

(iv) Any other incident which the Licensee or consumer may consider worth reporting with regard to safe and reliable operation of the distribution system.

(v) The Licensee and the consumers shall establish a hierarchy for reporting incidents and a procedure for the exchange of information. The consumers shall promptly furnish information to the Licensee regarding any major incident occurring in their system to the Licensee.

(vi) The adverse impact of Harmonics in the system.

(vii) The adverse impact of the operation of shunt capacitor banks on other equipments/devices in the network and at the consumer's premises as well.

Explanation: The basic characteristics of the incident, which constitute a major break down, shall be determined by the concerned Licensee /Consumer and reported.

(2) Prescribed time frame for the reporting by the Licensees in respect of major incidents.

(a) Deviations in the system voltage or frequency  
Exceeding the set tolerance levels — monthly

(b) Major deviation in load drawals — monthly

(c) Major breakdowns of lines/cables/equipments  
(Including any loss of capacity of 5 MVA and above)

\* Preliminary report followed by a detailed report — Within 24  
Indicating status, nature of break down, total Hours  
break down period, restoration period, and estimate  
of losses/ repairs, loss to persons /property,  
number of consumers affected etc.

(d) Any other incident referred to in the Code — Monthly

20. Condition based monitoring / Preventive Maintenance programmes shall be designed as follows:

(i) <sup>2</sup>[The Licensee shall prepare pre-monsoon inspection and other preventive maintenance schedules for lines and equipment and ensure its compliance at all levels. Necessary advance intimation shall be given to the consumers likely to be affected].

(ii) The level of maintenance shall be appropriate to meet the manufacturers maintenance recommendations and the performance standards of the Licensee.

(iii) All the bottom line, all the HV lines in the control area of the Licensee shall be inspected twice annually.

(iv) Periodical testing and maintenance of transformers, switchgear and protective equipments and earthing in the distribution system shall be carried out by the Licensee in line with the manufacturers recommendations / standard practices for ensuring their smooth operation, serviceability, safety, reliability and efficiency.

(v) The Consumers also shall maintain their apparatus, switchgear, electric lines, metering equipment and cables including their generator sets in good operating condition and conforming to the measures specified under section 53 of the Act and keep them suitable for connecting to the distribution system in a safe and reliable manner. <sup>3</sup>[Consumers shall ensure proper interlock facility provided for their generator sets to prevent parallel operation with the Distribution System of the Licensee provided such generators are not interfaced with the Licensee's network for supply of power].

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<sup>1</sup> Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup> Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

The Licensee shall prepare pre monsoon inspection and other preventive maintenance schedules for lines and equipment and ensure its compliance at all levels. Necessary intimation shall be given to the affected consumers.

<sup>3</sup> Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

(vi) Licensee shall set up a Consumer Trouble Call Management Center and lay down suitable procedures.

(vii) The Licensee shall have provisions for sealing the meter, checking the quality of new meters, periodical calibration of customer meters, repair of defective meters and other related works.

21. Tools, plants and Spares: The Licensee shall ensure availability of proper tools and plants and keep the work places in good condition for carrying out the required repairs/maintenance. Serviceability of tools and plants must be checked periodically and certified for their healthiness. The Licensee shall maintain an inventory of replacement spares required for maintenance purposes at suitable locations. A clear policy may be laid down by the Licensee in this regard and submitted to the Commission for reference.

22. Training: The Licensee shall set up Training centers (or in coordination with the established Training centers) to impart proper and adequate training to its workmen and supervising staff in modern distribution practice, maintenance techniques and safety procedures. A syllabus suitable for the intended purpose shall be followed by them. The syllabus shall be submitted to the Commission for its perusal and approval.

23. Research and Development : The STU shall, in consultation and approval of the Commission, carry out R&D to analyze and solve common operational and other problems related to distribution. Also they will be responsible for carrying out improvement and updation studies. The study results shall be properly communicated to all the distribution licensees for adoption. The expenditure towards the R&D work shall be met from a common fund for which the Commission shall prescribe the rate of contribution from each Licensee

## **Chapter 6 : Terms and Conditions for supply of Electricity**

24 Terms and conditions for supply of Electricity: The terms and conditions for supply of electricity is meant to govern the supply of electricity and procedures thereof, including the powers, functions and obligations of the Licensee and the rights and obligations of the consumers and matters connected therewith and incidental thereto. The terms and conditions are not exhaustive as to the requirements to be complied with by Users connected or seeking connection to the Licensee's distribution system.

25. System of Supply: The Licensee's declared voltage of supply will be generally as follows :

(a) Low Tension Supply

- i. Single phase 240 volts, 50 Hz A.C between phase and neutral.
- ii. Three-phase 415 volts 50 Hz A.C between phases.

(b) High Tension Supply

Three-phase 50 Hz A.C, 11,000 volts, or 22,000 volts and 33,000 volts between phases whichever is available.

(c) Extra High Tension Supply

Alternating current - 50 Hertz Three- phase 66,000 volts, 110,000 volts and 230,000 volts between phases whichever is available.

For larger loads, the Licensee reserves the right to supply at higher voltages according to the convenience of the Licensee.

<sup>1</sup>[“26. Categories of Supply.-

(1) Supply of electricity available to the consumer is of the following categories:-

- (a) Single-phase 2 wire 240 volts between phase and neutral for supply to a total connected load not exceeding 4000 watts (including power loads);
- (b) Three-phase 4 wire 415 volts between phases and 240 volts between phase and neutral for supply to a total connected load exceeding 4000 watts but not exceeding a demand of 112 KW;
- (c) The consumer may elect to avail supply under any one of the above categories where the connected load does not exceed 4000 watts;

**Explanation:** If the connected load or demand of a LT consumer exceeds 50 kW, the consumer shall be provided with LTCT metering.

- (d) Three-phase three wire supply at 11 kV or 22 kV depending on the voltage level existing in the area of supply shall be provided for a demand limit up to 3 MVA or 5 MVA as the case may be. However, the minimum demand shall be 63 kVA;

- (e) The consumer shall be provided supply at 33 kV for a demand exceeding 3 MVA and up to 10 MVA if the area of supply is fed through 11 kV system and if the area of supply is fed through 22 kV system, supply at 33 kV shall be provided for a demand exceeding 5 MVA and up to 10 MVA;
  - (f) The consumer shall be provided supply at 110 kV for a demand above 10 MVA and up to 50 MVA;
  - (g) The consumer shall be provided supply at 230 kV for a demand above 50 MVA;
- (2) In case of existing service connection / installation not conforming to the provisions mentioned in Sub-Regulation (1), conversion of such service connection / installation to higher / lower voltage may be carried out based on the mutual consent between the Distribution Licensee and the Consumer duly considering the capacities of the existing line/cable, transformer, etc. and the cost-benefit analysis of such conversion.
- <sup>2</sup>["**Explanation:** For this purpose of this sub regulation, existing service connection means the service connection or additional demand to the existing service connection, effected on or before 21-03-2012, the date on which the sub regulation (2) came into force"]<sup>2</sup>
- (3) If the consumer opts for higher levels of voltages for demands less than that specified, the consumer shall bear the extra expenses to be incurred by the licensee to provide supply at such higher voltages." .]
- <sup>3</sup>[(4) Notwithstanding anything contained in sub-regulation (1), where there is no 33 kV network in a specified area and the Distribution Licensee has to incur heavy expenditure to create the 33 kV network, the Chief Executive Officer of the Distribution Licensee may permit in specific cases to effect supply or additional load in 11/22 kV itself subject to technical feasibility . Such cases shall be recorded and communicated to the Commission. As and when 33 kV network is created in the area, such 11/22 kV shall be converted into 33 kV supply.]<sup>3</sup>

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/DC/8-15, dated, 17-02-2012 (w.e.f. 21-03-2012)** which before substitution stood as under:

26. Categories of Supply: Supply of electricity shall be made available to the consumer under the following categories:

- (a) Single-phase 2 wire 240 volts between phase and neutral for supply to a total connected load not exceeding 4000 watts (including power loads).
- (b) Three-phase 4 wire 415 volts between phases and 240 volts between a phase and neutral for supply to a total connected load exceeding 4000 watts but not exceeding a demand of 112 KW. The consumer may elect to avail supply under any one of the above categories where the connected load does not exceed 4000 watts.
- (c) Three-phase 3 wire, 11,000 volts and above between phases for power installation exceeding a demand of 112 KW, the minimum demand however being 63 KVA
- (d) The consumer shall avail supply at 33 kV and above when the demand is 5 MVA and above.

<sup>2</sup>Inserted as per Commission's Notification No. **TNERC/DC/8-16, dated 29-11-2012 (w.e.f. 23-01-2013 )**

<sup>3</sup>Inserted as per Commission's Notification No. **TNERC/DC/8-18, dated 25-11-2013 (w.e.f. 18-12-2013 )**

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## 27. Requisitions for Supply of Energy:

(1) The provision regarding the duty of Licensee as detailed in section 43 <sup>1</sup>[of the Act] to supply electricity on request is reproduced below:

“(1) <sup>2</sup>[Save as otherwise provided in this Act,] <sup>2</sup>every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply :

Provided that where such supply requires extension of distribution mains, or Commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or Commissioning or within such period as may be specified by the Appropriate Commission.

Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.

<sup>3</sup>[Provided that the licensee will refuse to supply electricity to an intending consumer who had defaulted payment of dues to the licensee in respect of any other service connection in his name] <sup>3</sup>

<sup>4</sup>[Explanation:- For the purposes of this sub-section, “application” means the application complete in all respects in the appropriate form, as required by the distribution licensee, along with documents showing payment of necessary charges and other compliances.”] <sup>4</sup>

(2) It shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1) :

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of electricity for any premises having a separate supply unless he has agreed with the licensee to pay to him such price as determined by the Appropriate Commission.

(3) If a distribution licensee fails to supply the electricity within the period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default.”

(2) Supply to Agricultural category: Application for supply to agriculture category shall be in Form 2 of Annexure III. In respect of the agricultural category, this provision shall be governed by the directives issued by the Commission from time to time, on the basis of the guidance on this matter by the National Electricity Policy (as stipulated in sub section 4 under section 86 of the Act) and the policy directions in public interest given by the State Government under sub section (1) of section 108 of the Act.

(3) <sup>5</sup>[The application for HT service connection shall be in FORM-4. Application for LT service connection (other than Agriculture and Hut), LT Agriculture service connection and LT Hut service connection shall be in FORM - 1, 2 and 3 respectively.] <sup>5</sup>

Note : Requisitions for supply of energy ( Applications ) , even if incomplete, and irrespective of whether they are handed over in person or by post, should be acknowledged in writing. If they are in order, they shall be registered immediately and acknowledged. If they are incomplete, the defects should be indicated and returned without registration.

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<sup>1</sup>Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Inserted as per Commission's Notification No. TNERC/DC/8-9, dated 22-5-2008 (w.e.f. 11-6-2008)

<sup>3</sup>Inserted as per Commission's Notification No. TNERC/DC/8-1, dated 22-11-2005 (w.e.f. 7-12-2005)

<sup>4</sup>Inserted as per Commission's Notification No. TNERC/DC/8-9, dated 22-5-2008 (w.e.f. 11-6-2008)

<sup>5</sup>Substituted as per Commission's Notification No. TNERC/DC/8-21, dated 7.10.2014 (w.e.f. 3.12.2014)

(3) The application for HT supply shall be in Form 4. Application for LT supply ( except Agricultural category) including Hut service shall be in Form 1 & 3 of Annexure III.

(4). An intending consumer who is not the owner of the premises <sup>1</sup> [\*\*\*] shall produce a consent letter in Form 5 of Annexure III to this code from the owner of the premises for availing the supply. If the owner is not available or <sup>2</sup> [\*\*\*] refuses to give consent letter, the intending consumer shall produce <sup>5</sup> [valid] proof of his/her being in <sup>6</sup> [\*\*\*] occupation of the premises and also execute an indemnity bond in Form 6 of the Annexure III to this code indemnifying the licensee against any loss on account of disputes arising out of effecting service connection to the occupant and acceptance to pay security deposit twice the normal rate.

<sup>7</sup>[Explanation:- For the purpose of this sub-regulation, the expression "valid proof" means any proof of occupancy such as registered power of attorney or latest rent receipt issued prior to the date of application or lease deed or possession order from appropriate authority or decree or judgment of Courts.]

(4) <sup>3</sup> [\*\*\*]

(6) & (7) <sup>8</sup> [\*\*\*]

(8) <sup>4</sup> [\*\*\*]

(9) In case of LT three phase supply, the Licensee shall ensure the following:

(i) For all LT three phase services other than domestic and agricultural category, when the contracted demand exceeds 18.6 KW (25 HP), the meter in the service shall have the KW demand recording facility.

(ii) For all LT three phase services other than domestic and agricultural category, when the contracted demand does not exceed 18.6 KW (25 HP) and KW recording facility is not available in the meter, the consumer shall not be permitted to have excess connected load over and above the contracted demand. The consumer shall however be permitted to opt for meters with KW demand recording facility, allowed to have connected load in excess of contracted demand and covered under the provisions of the excess demand charges as stipulated in the Supply Code.

(10) Notwithstanding anything contained in this clause, the Licensee will refuse to supply electricity to an intending consumer for any industry, including welding purpose in any predominantly residential area, if in the opinion of the Engineer, such supply will cause voltage fluctuations in the supply to the area and consequent inconvenience in that area. The decision of the Engineer as to whether there will be voltage fluctuations in the said area shall be final and binding on the intending consumer. "Residential" area means area recognized as such by Municipal Corporations, Municipalities, Townships, Panchayats or such other local authorities constituted under any law for the time being in force. If however, the area under consideration is declared as a residential cum industrial area by the competent bodies, the above provision shall not apply.

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<sup>1</sup>The words "he occupies" omitted as per Commission's Notification No.TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>The word "he" omitted as per Commission's Notification No. TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup> Omitted as per Commission's Notification No. TNERC / DC / 8-6, dated 10-9-2007 (w.e.f. 3-10-2007) which before omission stood as under:

The application for H.T / L.T. industries under 'Red Category' or highly polluting as notified by the Government/ Tamil Nadu Pollution Control Board from time to time shall be received only on production of letter of "consent to establish" issued by Tamil Nadu Pollution Control Board along with the application by the prospective consumer.

<sup>4</sup> Omitted as per Commission's Notification No. TNERC / DC / 8-6, dated 10-9-2007 (w.e.f. 3-10-2007) which before omission stood as under:

Applicants requiring service connections to buildings comprising several flats, apartments etc., (irrespective of purpose i.e., domestic, commercial etc.,) should ensure that all the conditions stated above and also the conditions stipulated by Local body CMDA etc., in respect of supply of electricity to such buildings are strictly complied with. Failure in this regard may entail denial of service connection until all the conditions are fulfilled.

<sup>5,7</sup> Inserted as per Commission's Notification No.TNERC/DC/8-21,dated 7.10.2014.

<sup>6</sup> The word 'lawful' omitted as per Commission's Notification No.TNERC/DC/8-21,dated 7.10.2014.

<sup>8</sup> Omitted as per Commission's Notification No.TNERC/DC/8-21,dated 7.10.2014 which before omission stood as under:

(6) Where the intending consumer's premises has no frontage on a street and the supply line from the Licensee's mains has to go upon, over or under the adjoining premises of any other person (whether or not the adjoining premises is owned jointly by the intending consumer and such other person), the intending consumer shall arrange at his/her own expense for any necessary way leave, licence or sanction before the supply is effected. Even when the frontage is available, but objections are raised for laying lines / cables/ poles through a route proposed by the Licensee involving minimum cost and in accordance with the technical norms, to extend supply to the intending consumer, the intending consumer shall arrange at his/her own expense necessary way leave, licence or sanction before the supply is effected. Any extra expense to be incurred by the Licensee in placing the supply line in accordance with the terms of the way leave, licence or sanction shall be borne by the intending consumer. In the event of way-leave, licence or sanction being cancelled or withdrawn, the intending consumer shall at his/her own cost arrange for any diversion of the service line or the provision of any new service line thus rendered necessary.

(7) It shall not be incumbent on the Licensee to ascertain the validity or adequacy of way-leave, licence or permission obtained by the intending consumer. The consumer is liable for damages, if any, claimed by the person giving way-leave, licence or permission.

(11) The requirement to be notified by the Authority through regulations shall be complied with for availing the service connection.

(12) <sup>6</sup>[Supply shall be given in Poromboke lands/Government lands on production of No Objection Certificate obtained from the concerned officer of the Government of Tamil Nadu. The applicant shall execute an indemnity bond in FORM-6 of the ANNEXURE III to this code and also pay security deposit twice the normal rate.]<sup>6</sup>

(13) Within a door number or sub door number, an establishment or person will not be given more than one service connection.

(14) Where more than one person or more than one establishment is <sup>4</sup>[or intended to be]<sup>4</sup> in occupation of a door number or sub door number, more than one service connection will be given only if there is a permanent physical/ <sup>5</sup>[electrical]<sup>5</sup> segregation of areas for which different service connections are applied for.

(15) In case of flat system and shopping complexes where more than one flat or shops are located <sup>1</sup>[with permanent physical segregation]<sup>1</sup>, more than one service shall be given.

<sup>7</sup> [(15A) Notwithstanding anything contained in sub-regulations (14) and (15), a person or an establishment or an entity shall be given only one service connection in a premises or in contiguous premises to run a business or service or occupation or another form of activity including its associated activities and for activities of the associates even if there is a permanent physical segregation.]<sup>7</sup>

(16) In case of non compliance by the Licensee, of the provisions as above, the intending consumer can approach the Consumer Grievance Redressal Forum <sup>2</sup>[established under section 42(5) of the Electricity Act 2003]<sup>2</sup>.

<sup>8</sup> [Explanation:- For the removal of doubts, it is hereby declared that the expression "other compliances" occurring in the Explanation to section 43(1) of the Act as reproduced in sub- regulation (1) shall mean the documents mentioned in the Forms specified in ANNEXURE III to this Code and any decree or order or judgment of Courts.]<sup>8</sup>

28. Additional terms of supply as stipulated in section 48 of the Act reads as :

"A distribution licensee may require any person who requires a supply of electricity in pursuance of section 43 to accept -

(a) any restrictions, which may be imposed for the purpose of enabling the distribution licensee to comply with regulations made under section 53;

(b) any terms restricting any liability of the distribution licensee for economic loss resulting from negligence of the person to whom the electricity is supplied."

29 Service Lines :

(1) More than one service connection in a door number/ sub-door number will be given if the second service connection is for a welding set in the same door number/sub -door number.

(2) In agricultural connections where the consumer requires a separate service connection for utilizing energy for radios and other appliances including domestic lighting in the farm house, more than one service connection in the same Survey Field Number /sub-divided survey field number will be permitted.

(3) The existing High Tension Consumers who want to avail a separate service for their expanded industrial activities within a door No., or sub-door No. (in the same premises) a new service connection shall be given, provided the extension is physically and electrically <sup>3</sup>[segregated]<sup>3</sup>.

(4) Upon receipt of an application for supply of electricity, a notice will be sent to the intending consumer that he or his/ her authorized representative to meet the Engineer to agree on the position of the point of supply, cut-out or circuit-breaker and meter. The Licensee will in no case fix its meter, cut-out etc., nor allow the same to remain in any position which will entail entry by its employees into certain restrictive areas which are socially well defined. In case of service connection from OH line, the service mains shall be visible and accessible up to metering point for inspection.

(5) The consumer shall provide free of cost to the Licensee adequate land/space in his/her premises as may be considered necessary by the Engineer and afford all reasonable facilities for bringing in not only cables or overhead lines from the Licensee's system for servicing the consumer but also cables or overhead lines connecting other consumers. The land/space should be at a location near the entrance to the premises and should be easily accessible to Licensee's officials for inspection.

(6) The Consumer shall permit the Licensee to install all requisite equipments such as Transformers, switchgears, meters etc., and to lay necessary cables or overhead lines and to provide connections thereto on the consumer's premises and shall also permit the Licensee to extend supply to other consumers through the cables, lines and equipments installed in the consumer's premises, provided that supply to the consumer in the opinion of the Engineer is not thereby unduly affected.



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<sup>1</sup> Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup> Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup> Substituted for the expression "demarcated" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>4,5</sup> The words "or intended to be" and "electrical" inserted as per Commission's Notification No. TNERC/DC/8-19, dated 1.7.2014 (w.e.f. 6.8.2014)

<sup>6</sup> Substituted as per Commission's Notification No. TNERC/DC/8-21, dated 7.10.2014, (w.e.f. 3.12.2014) which before substitution stood as under

{ <sup>a</sup> [Supply shall be given in poromboke land on production of—

(i) No Objection certificate obtained from the Officer (not below the rank of Deputy Tahsildar) or

(ii) Where such No Objection Certificate could not be produced by the applicant for service connection the following undertaking shall be furnished:-

(1) "I am aware that I am liable to be evicted and for supply disconnection at any time if the lands are required by the Government and / or any dispute arises at a later date and that electricity supply given in this regard will not confer any claim on ownership of the land.

(2) I am aware that the above undertaking shall not confer permanent and full right to the ownership of the land.]

<sup>a</sup> Substituted as per Commission's Notification No. TNERC/DC/8-3, dated, 31-05-2006 (w.e.f. 21-6-2006) which before omission stood as under:

Supply shall be given in poromboke land on production of necessary documents as per the directive from the Government from time to time.}

<sup>7</sup> Inserted as per Commission's Notification No. TNERC/DC/8-21, dated 7.10.2014 (w.e.f. 3.12.2014) .

<sup>8</sup> Substituted as per Commission's Notification No. TNERC/DC/8-21, dated 7.10.2014, (w.e.f. 3.12.2014) which before substitution stood as under:

{ <sup>b</sup> [Explanation:- For the removal of doubts, the expression "other compliances" occurring in the Explanation to section 43(1) of the Act as reproduced in sub-regulation (1) above, shall include the following, namely:—

(a) the compliance by the intending consumer of other laws of the State of Tamil Nadu relating to the obtaining of permit or approval or sanction or consent from the appropriate authorities as mentioned in such laws in regard to construction, alteration or repairs to buildings or establishment of new industries or factories or other establishments for which supply of electricity is required by such intending consumer;

(b) the compliance by the intending consumer of the provisions contained in sub regulations (4), (11) and (12) above;

(c) the compliance by the intending consumer of any decree or order or judgment of any civil court in regard to the supply of electricity or other requirements mentioned in such decree or order or judgment.]

<sup>b</sup> Inserted as per Commission's Notification No. TNERC/DC/8-9, dated 22-5-2008 (w.e.f. 11-6-2008)}

(7) The Service Line once laid shall not be transferred, interfered with or shifted from one place to another except with the permission of the Engineer.

(8) For housing the switchgears and meter cubicles of the Licensee, the High Tension Consumer shall provide and maintain at his/her own expense locked, weatherproof and fireproof enclosure of agreed design and location. The enclosure should preferably be in a building separate from the Consumer's substation and installation. Where this is not feasible, the equipments of the Licensee shall be completely segregated from the Consumer's equipments by fireproof walls.

(9) The consumer shall permit the Licensee, free of cost, the use of any land belonging to the consumer which may be required for erecting the posts, lines, structures, cables and other equipments necessary for the supply of electricity and shall give access at all time to the Engineer and /or his/her agents, employees, sub-ordinates and workmen with or without tools to inspect and/or work on the posts, lines, structures, cables and other equipments and the consumer shall have no claim whatsoever on account of any damage to his/her property by reason of such erection of or any other work on the posts, transmission lines, structures, cables and other equipments.

(10) In all storied buildings irrespective of the number of floors, service connections (whether through overhead wires or through under-ground cables) will be effected normally at the ground floor. Service connections will also be effected, at the request of the consumer, at the basement floor of the storied building, provided the place where the Licensee's meters, cut-outs etc., are installed has direct and independent access from outside, is well ventilated, has sufficient headroom and the doors provided for the service room have adequate fire resistance property and water proof and free from water logging.

(11) In storied building sufficient space at a suitable place shall be made available free of cost to the Licensee for installing transformers, switchgears etc., in addition to the space requirements stated below:

(12) <sup>1</sup>[For any building / premises requiring LT service connection(s) having either (a) total floor area of 900 square meter and above (excluding the stilt floor / basement floor) or (b) the total demand of all the LT services in the building exceeds 150 kW].

(i) (a) an electrical room with RCC roof having clear floor area 6 metres x 4 metres with a vertical clearance of 2.75 metres with locking facility, exhaust fans and adequate size of cable duct, shall be provided at the ground floor within the consumer premises of storied buildings nearer to the main entrance for installing floor mounted distribution transformer and associated switchgear or

(b) a clear space of <sup>2</sup>[10 metre x 4 metre or 5 metre x 5 metre] open to the sky shall be provided within the consumer premises preferably at the main entrance for installing structure mounted distribution transformer and associated switchgears, and

<sup>3</sup>[(ii) Space as per the following norms shall be allotted for establishment of a sub station / switching station in places of group housing / commercial complex where the total demand exceeds 5 MVA. These areas shall be specifically shown in the plan.

The requirement of land for establishment of sub-stations shall not exceed the limit given below:

Voltage level of the sub-station	Land Requirement in Sq.mts.	
	Normal sub-station	Compact sub-station
33 KV sub-station	1520 (indoor)	
	3160 (outdoor)	225
110 KV sub-station	4000 (outdoor)	1050
230 KV sub-station	16000 (outdoor)	1750

<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-1 dated 22.11.2005 (w.e.f. 7.12.2005) which before substitution stood as under:

For storied buildings having a total floor area of 900 square metre and above, and multistoried building i.e. Ground plus three or more floors including stilt floor/ basement floor for Low Tension Service Connection.

<sup>2</sup>Substituted for the expression "10mx4m or 5mx5m" as per Commission's Notification No. TNERC/DC/8-8 dated 8.2.2008 (w.e.f. 27.2.2008)

<sup>3</sup>Substituted as per Commission's Notification No. TNERC/DC/8-12 dated 24.08.2009 (w.e.f. 16.09.2009 ) ) which before substitution stood as under:

Space as per the norms to be specified by the Commission shall be allotted for establishment of a sub station / switching station in places of group housing / commercial complex where the total demand exceeds 5 MVA. These areas shall be specifically shown in the plan.

Note:

(a) in places situated within 60 Kilo Meters from the periphery of the Metropolitan/Corporation limit, the licensee may establish the compact sub-station;

(b) in places situated within 30 Kilo Meters from the periphery of the Municipality limit, the licensee may establish the compact sub-station;

(c) in places situated within 10 Kilo Meters from the periphery of the Town Panchayat limit, the licensee may establish the compact sub-station;

(d) in other places, the licensee may establish the sub-station of his choice

(e) the land area should have the proper approach road atleast on any one side of the land for easy transporting of power transformer

(f) the dimension of the land area shall be as per the suggestions of the Licensee to the consumer.]

(13) An approach road of not less than 3 meters width shall be provided from the public road to the electrical room/open space earmarked for installation of distribution transformer, associated switchgear, sub station / switching station.

<sup>1</sup>[Note 1: The specific requirement to provide space, as per the sub-regulations (12) and (13) of this regulation shall be made known to the consumers/ builders/ owners at the initial stages itself, when they approach with applications for extending temporary or regular supply.

Note 2 : The Chief Executive Officer of the Distribution Licensee (presently the Chairman / TNEB) may approve the relaxation against the requirement stipulated in sub-regulations (12) and (13) of this regulation in exceptional cases provided he is satisfied that:

(a) the supply to such premises can be satisfactorily fed from the existing Distribution Transformer / other sources

(b) the quality of the power supply will not be affected even in future due to growth of the load in the premises / near by area

(c) no compromise has been made on technical requirements by relaxing the above criteria.

(d) non availability of the space / alternate provisions is confirmed by the Licensee after a site inspection]

(14) For High Tension service connections:-

(a) <sup>2</sup>[For indoor metering, an electrical room with RCC roof having a clear floor area 5mx6m with a vertical clearance of 3.7 metres between the floor and the ceiling/beam bottom with locking facility, exhaust fan and adequate size of cable duct shall be provided at the ground/basement floor for installing the Licensee's equipments, etc. This room shall be of fireproof and weatherproof]

(b) For outdoor metering, a clear space of <sup>3</sup>[10 metre x 4 metre or 5 metre x 5 metre] open to sky shall be provided.

This enclosure shall be at the periphery of the building and shall be cut off from other portions of the premises by fire resistance walls. These areas shall be specifically shown in the plan. Before the plan is sent to the competent authority for approval, it shall be sent to the Engineer and got approved. The point of supply shall be within 30 meters from the main gate easily accessible and visible and satisfactory with regards to security aspects. Failure to comply with the above requirements will result in denial of supply.

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<sup>1</sup> Inserted as per Commission's Notification No.TNERC/DC/8-4, dated 22-06-2006 (w.e.f.16-08-2006 )

<sup>2</sup> Substituted as per Commission's No TNERC/DC/8-5, dated 20-07-2006 (w.e.f. 16-8-2006) which before substitution stood as under:

For indoor metering, an electrical room with RCC roof having a clear floor area 5mx6m with a vertical clearance of 3.7 metres between the floor and the ceiling/beam bottom with locking facility, exhaust fan and adequate size of cable duct shall be exclusively provided in the ground floor for installing the Licensee's equipments etc. This room shall be of fireproof and weatherproof.

<sup>3</sup> Substituted for the expression "10mx4m or 5mx5m" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2,1</sup> [\*\*\*] Provided that the Chief Executive Officer or any other Officer, not less than in the rank of a Chief Engineer, authorized by the Chief Executive Officer may approve the point of supply at a place beyond 30 meters from the main gate, if he is satisfied that such place is –

- (a) easily accessible and visible to the officials of the licensee;
- (b) is safe and secure; and
- (c) is not susceptible to malpractice. Also there shall be no compromise on technical grounds, while relaxing the distance criteria. ]

(15) With medium voltage supply i.e. above 250 volts and up to 650 volts, the Licensee's meter and service cutouts shall be enclosed in a strong vermin proof and water proof box suitably ventilated and provided with suitable locking arrangements at the consumer's cost at the location convenient to licensee for meter reading etc. All wires shall be made inaccessible to unauthorized persons. A 'caution' board shall be fixed thereto.

(16) Having agreed on the position of point of supply, the Engineer will render to the intending consumer an estimate for the cost of laying the service line. Any work of laying the service line will be taken up only after the intending consumer pays the estimated amount in advance in full. The charges payable by the intending consumer for service line shall be as estimated by the Licensee from time to time.

(17) The entire service line will be the property of the Licensee and the Licensee will maintain it at his/her cost.

(18) The Licensee will also have the right to use the service line for supply of electricity to any other person.

### 30. CONSUMER'S INSTALLATION:

(1) <sup>2</sup> [The consumer's installation should invariably comply with the statutory provisions contained under section 53 of the Act relating to wiring and equipment. The responsibility with regard to maintenance or testing of equipments and wiring on consumer's premises shall lie upon the consumer.]

(2) No cutout, link or switch (other than a linked switch arranged to operate simultaneously on the earthed neutral conductor and live conductors) shall be inserted or remain inserted in the earthed neutral conductor of the system.

(3) If any alteration is carried out either in equipment or in wiring, the same shall be intimated to the Licensee for updating the Test Report.

(4) The consumer must in all cases provide quick-break linked switches and a main fuse/ MCB on each live conductor except the earthed neutral. The linked switch must be erected within a metre of the Licensee's meter board or in such other position as may be required/ approved by the Engineer. Where a conductor forming part of the consumer's system is to be connected to the Licensee's earthed neutral conductor, an indication of a permanent nature shall be provided by the consumer at the point where such connection is to be made to enable the conductor to be distinguished from any live conductor. The consumer shall provide a cable loop of at least one metre for each connection to the Licensee's meter board in the same room. In the case of High Tension supplies, suitable circuit breakers must be installed on the low-tension side of the transformer or on each of the individual low-tension feeder.

(5) All electric motor used in all new Low Tension service connections shall be of ISI marked with manufacturers name plate indicating rating and capacity permanently affixed on it.

(6) If at the time of effecting service connections under the Low Tension Domestic, Educational and other special institutions, etc., and General purpose category (presently Commercial and other categories), it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer will include the assessed capacity in the Test Report and effect supply.

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<sup>1</sup> Inserted as per Commission's Notification No.TNERC/DC/8-2, dated 23-02-2006 (w.e.f.23-02-2006 )

<sup>2</sup> Substituted as per Commission's Notification No TNERC/DC/8-2(1), dated 14-06-2006 (w.e.f. 23-02-2006) which before substitution stood as under:

Provided that the Chief Executive Officer of the Licensee may approve the point of supply at a place beyond 30 meters from the main gate, if he is satisfied that such place is

- (a) easily accessible and visible to the officials of the licensee
- (b) is safe and secure and
- (c) is not susceptible to mal practice.

Also there shall be no compromise on technical grounds, while relaxing the distance criteria.

<sup>3</sup> Substituted as per Commission's Notification No TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under :

The consumer's installation should invariably comply with the statutory provisions of the rules framed under Act relating to wiring and equipment. The responsibility with regard to maintenance or testing of equipments and wiring on consumer's premises shall vest with the consumer. The regulations made by the Regional Tariff Advisory Committee under the Insurance Act 1938 (Central Act IV of 1938) applicable to the electrical equipments in buildings shall be complied with by the consumers.

<sup>1</sup>[provided such excess capacity does not result in any increase in the demand applied/sanctioned and such assessed capacity is commensurate with the capacity of the meter and service line provided and does not involve either change of category of supply or improvements to the distribution mains.]

(7) All transformers, switchgears, control equipments and other electrical equipments belonging to the consumer and connected to the mains of the Licensee shall be maintained to the reasonable satisfaction of the Engineer of the Licensee and shall be in conformity with the applicable Acts, Codes, Rules and regulations etc.,

(8) Before any wiring or fitting of motor or any other electrical equipment is connected to the system, the same shall be subject to the inspection of the Engineer of the Licensee. However, this condition will not apply to Low Tension Service Connections under the Tariffs for Domestic, Educational and other special institutions, and General Purpose categories (Commercial and other categories).

(9) All High Tension installations and their associated medium voltage and low voltage installations will have to comply with the applicable safety and security rules prescribed by Authority / Government / Commission.

(10) If the connected load of any installation exceeds 15 amperes at 240 volts the installation shall be wired on the group system, separate neutral wires being brought back in each case to the point of supply. Each circuit shall have a distinct control switch. The lamps, fans and other equipments in the installations shall be so grouped that under normal conditions the current will be balanced and no current will flow in the neutral wire.

(11) A caution Board printed in Tamil and English shall be affixed by the Licensee on the meter board of each service.

(12) In order to save the expenses of a long underground service connection on private property, consumer may, with the Engineer's approval, erect a pillar on that portion of his/her property which will be the metering point nearest to the Licensee's supply mains into which the service shall be laid and from which the consumer shall run overhead lines / UG cables to his/her premises. These overhead mains shall constitute portion of his/her installation. and shall be laid in compliance with the applicable Safety Rules. An efficient lightning arrester may be fixed at the commencement of the overhead line at the consumer's cost, should he desire the same, as an additional protection for his/her installation.

(13) Gas and water pipes shall on no account be used for earthing purposes. All wiring shall be kept as far as possible away from gas and water pipes.

(14) All wall plugs shall be of the three-pin type, the third pin connected to earth. All plugs shall be provided with switches on the live wire and not on the neutral.

(15) Motors shall be provided with control gear so that the maximum current demand of the consumer's installation does not in any case exceed the limit given in the following schedule.

Nature of supply	Size of installation	Limit of maximum current demand
Single Phase	Up to 3 H.P	Full load current x 6
Three Phase	i. Up to 3 HP	Full load current x 6
	ii. Above 3 HP and up to 15 HP	Full load current x 2
	iii. Above 15 HP and up to 100 HP	Full load current x 1.5
	iv. Above 100 HP	Full load current x 1.25

Note :

1. The capacity may exceed for the single-phase motors in areas where High voltage Distribution System using Single phase Distribution Transformers is implemented.

2. Providing of automatic switching facilities to the three phase motors with a direct on line starter is prohibited.

3. The use of phase shifters (to operate the three phase motors during two phasing by the Licensee) in respect of Agricultural services by the consumers is prohibited.

Failure to restrict within these limits and also to comply with the above requirements will render the service connection liable for disconnection.

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<sup>1</sup>Inserted as per Commission's Notification No. TNERC/SC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

(16) Three-phase motor circuits shall be controlled by triple-pole switch with no-volt release and fuse protection. It is

important that the release should be maintained in working order. Functionally equivalent controls shall also be acceptable. Wiring for such motors shall be run with all wires bunched in a conduit, which shall be efficiently earthed through and connected to the frame of motor from which two separate and distinct earth wires shall be run. The earth wire shall be preferably of copper.

(17) In the case of temporary supply, the consumer shall provide current limiting switch of appropriate capacity and capacitor, if any required.

### 31 INSPECTIONS, TESTING AND EFFECTING SUPPLY:

(1) After completion of the wiring, notice must be sent to the Engineer by the intending consumer ( upon printed test report form obtainable free of cost from the offices of the Licensee) that the installation has been completed and tested and that the same is complete and ready for inspection and test by the Engineer. Notice of the Engineer's intention to inspect and test the installation will be sent to the intending consumer who must be present or his/her competent representative at the time fixed to give information that may be necessary concerning the installation. <sup>1</sup>[Upon executing / signing of the test report, a copy of the test report shall be given to the consumer].

(2) The intending consumer shall avail himself of the supply within three months in case of HT and one month in case of LT from the date of issue of notice in writing, informing him that supply is available.

(3) If the intending consumer fails to avail the supply within the above period, a further three months notice in case of HT and one-month notice in case of LT will be sent to the intending consumer to avail the supply. If he does not avail himself the supply during this notice period, the application will be treated as lapsed and cancelled in the case of Low Tension supply and the application shall be treated as cancelled, terminating the agreement, in the case of High Tension supply. The service connection charges and the Security Deposit / development charges, etc. except Meter Caution Deposit will be forfeited. In case the intending consumer could not avail the supply under force majeure conditions, the Security Deposit <sup>4</sup> [\*\*\*] and meter caution deposit shall be refunded to the intending consumer.

(4) However, Licensees of the Distribution are delegated with powers to condone the delay on specific request from them if received before expiry of second notice period and to accord approval to effect supply any day after the date of expiry of second notice of availability of supply without forfeiture of development and other charges and cancellation of application subject to his/her consent to pay monthly minimum charges up to the date of availing supply.

(5) If the intending consumer avails supply during the notice period of availability of supply he shall pay the monthly minimum charges at the notified tariff rate for the period from the date of issue of first notice of supply availability till the date of availing supply.

(6) Requisition for supply or additional supply of electricity should be made in the prescribed form obtainable from the local office of the Licensee sufficiently in advance of the date of requirement of supply. Such Forms can also be made available in downloadable mode in the Licensee's website or allowed to be printed by others and made available in open market. The requisition should be made by the owner, or occupier, of the premises for which supply is required, and should indicate his / her full name and address. Any assistance or information required in filling up the form has to be given to the intending consumer at the local offices of the Licensee.

### 32. LICENSEE'S SUPPLY MAINS AND EQUIPMENTS:

(1) The Licensee may provide in Low Tension service connections its own meter, board, cut-out and other equipments and for High Tension Service connections, its own circuit breaker, High Tension fuses and other equipments and these will remain the property of the Licensee and must on no account be operated, handled or removed by anyone, who is not an employee of the Licensee, unless authorized by the Licensee. <sup>2</sup>[If the consumer elects to purchase a meter, it shall be tested, installed, operated, maintained and sealed by the licensee. The consumer shall claim the meter purchased by him as his asset only after it is permanently removed from the system of the licensee.]

<sup>3</sup>[ "(1A) In case of open access consumer, ABT compliant meter with facilities to record export and import of energy shall be provided both at the generator and consumer ends in accordance with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006"]

(2) The Licensee will have the right to use its supply lines and equipments provided under the conditions above and to lay cables under, across, over or through the consumer's premises for supply to other premises in the neighborhood.

(3) The consumer shall not interfere in any manner with the property of the Licensee and shall be fully responsible for the safety of the property of the Licensee in the consumer's premises. In the event of any loss or damage caused to Licensee's property by any act, neglect or default of the consumer, his/her servants or persons employed by him or due to any reason other than force majeure conditions the consumer shall compensate the Licensee for the cost of necessary repairs or replacements as may be indicated by the Engineer, within thirty days of issue of the bill in this behalf. Non-payment of such bill by the consumer shall entail disconnection of supply under section 56 of the Act.

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<sup>1</sup>Inserted as per Commission's Notification No TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Inserted as per Commission's Notification No TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Inserted as per Commission's Notification No TNERC/DC/8-15, dated 17-02-2012 (w.e.f. 21-03-2012)

<sup>4</sup>The words " / development charges" omitted as per Commission's Notification No.TNERC/DC/8-19,dt.1.7.2014(w.e.f 6.8.2014)

### 33 AGREEMENTS:

(1) All intending consumers shall execute an agreement governing the supply of electricity in the form prescribed at the time of paying the Security Deposit and the service connection charges. The work of extension of supply will be taken up for execution only after the agreement is executed and the Security Deposit and the service connection charges, etc. are paid. For LT consumers other than agricultural and industrial consumers the application is treated as application-cum-agreement. In case of LT agriculture and industrial services, the agreement shall be in Form 7 in Annexure III and in case of HT consumers, the agreement shall be in Form 8 in Annexure III.

(2) Every agreement is for a specific purpose and a specified location. The Engineer may at his/her discretion permit a consumer to change the point of supply from one place to another on such terms as may be prescribed by the Licensee including payment of charges incidental to such change.

(3) The agreement can be terminated by the consumer at any time by giving one month's notice in writing to the Licensee expressing his/her intention to do so.

(4) The Licensee can terminate the agreement of a consumer at any time by giving one month's notice if the consumer has violated the terms of the agreement or the terms and conditions of this Code or the provisions of any law relating to the agreement including the applicable Acts and Rules under the Act and other orders from time to time. <sup>1</sup>[The Licensee shall inform the consumer regarding the grounds for such termination] It is obligatory on the part of the Licensee to inform the consumer regarding the grounds for such termination.

<sup>2</sup>[(5) In the case of termination of the agreement either by the consumer under sub – regulation (3) or by the licensee under sub – regulation (4), as the case may be, the licensee shall recover the dues if any due from the consumer after making such adjustment of the dues, due to him by the consumer as may be necessary to clear the dues from the consumer against the security deposit or additional security deposit or any other deposit made by the consumer and after making such adjustment, refund the balance deposit, if any, to the consumer within three months from the date of termination of the agreement.]”

### 34. EARNEST MONEY DEPOSIT:

(1) The applicants required to pay Earnest Money Deposit will be asked to pay Earnest Money Deposit along with registration fee for registration of application.

(2) This Earnest Money Deposit will be adjusted against the quantum of initial Security Deposit payable by the applicant before availing supply and balance amount if any shall be collected.

(3) In respect of High Tension applicant the Earnest Money Deposit payable will be equal to the quantum of initial Security Deposit.

(4) If the applicant backs out after registration and payment of E.M.D. but before payment of Development charges, Service Connection charges and Meter Caution Deposit, then the application shall be cancelled and E.M.D. forfeited.

(5) If the applicant backs out after payment of all charges and execution of agreement, the application shall be cancelled and agreement terminated forfeiting all amount remitted except meter caution deposit in the case of both High Tension and Low Tension.

(6) If the H.T. applicant who prefers to back out partially against the sanctioned demand before availing supply, then the above forfeiture rule may be applied proportionate to the demand backed out.

(7) The Earnest Money Deposit paid does not bear any interest until the date of service connection.

### 35. SECURITY DEPOSIT:

(1) All applicants for supply of electricity shall pay initial Security Deposit, before availing of the supply, in Cash <sup>3</sup>[\*\*\*] Demand draft at the rate fixed by the Commission from time to time.

(2) The following categories of service connections may be exempted from payment of Security Deposit :

(i) Service connections in the name of the State Government Departments

(ii) Service connections to premises occupied by Foreign Diplomats or Consulate Establishments, irrespective of whether the service connection is in their name or not.

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<sup>1</sup>Substituted as per Commission's Notification No TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under :

It is obligatory on the part of the Licensee to inform the consumer regarding the grounds for such termination.

<sup>2</sup>Inserted as per Commission's Notification No TNERC / DC / 8-7, dated 3-12-2007 (w.e.f. 19-12-2007)

<sup>3</sup>The word "cheque" omitted as per Commission's Notification No.TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

(3) Applicants for supply of electricity for agricultural and hut service connections shall pay Security Deposit equivalent to seven months levy of lump sum charges / metered energy charges or the amount notified by the Commission from time to time .

(4) Interest will be paid by the Licensee on Security Deposit at the rate as may be fixed by the Commission from time to time. Full calendar months only will be taken into account for the purpose of calculating the interest and the interest will be calculated to the nearest rupee i.e. 50 paise or above will be rounded off to the next higher rupee and less than 50 paise will be ignored.

(5) If the consumer is prepared to take supply through pre payment meter such consumer is not required to pay security deposit.

### 36. ACCESS TO PREMISES, INSTALLATIONS AND EQUIPMENTS:

The access to premises , installations and equipments is subject to the provisions envisaged under sections 163 of the Act, which reads as :

"(1) A licensee or any person duly authorized by a licence may, at any reasonable time, and on informing the occupier of his intention, enter any premises to which electricity is, or has been, supplied by him, of any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him for the purpose of—

(a) inspecting, testing, repairing or altering the electric supply lines, meters, fittings, works and apparatus for the supply of electricity belonging to the licensee; or

(b) ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or

(c) removing where a supply of electricity is no longer required, or where the licensee is authorized to take away and cut off such supply, any electric supply-lines, meters, fittings, works or apparatus belonging to the licensee.

(2) A licensee or any person authorized as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier, -

(a) enter any premises or land referred to in sub-section (1) for any of the purposes mentioned therein;

(b) enter any premises to which electricity is to be supplied by him, for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.

(3) Where a consumer refuses to allow a licensee or any person authorized as aforesaid to enter his premises or land in pursuance of the provisions of sub-section (1) or, sub-section (2), when such licensee or person has so entered, refuses to allow him to perform any act which he is authorized by those sub-sections to perform, or fails to give reasonable facilities for such entry or performance, the licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer."

### 37. SHIFTING OF SERVICE CONNECTION :

<sup>1</sup> [(1) The cost of shifting a new service connection for which line is laid but service connection is yet to be effected shall be borne by the intending consumer. The intending consumer shall pay the above charges in advance in full. The copy of the estimate shall be given to the intending consumer. The shifting work will be taken up only after the payment is made. The estimate will cover the following:

- (i) Materials dismantled in the old site and reusable shall be used in the new site as far as possible.
- (ii) 10% of the present value of the dismantled and reusable materials towards charges for dismantling and charges for loading, unloading, transport to the new site/store.
- (iii) Cost of the new materials required for the shifting work.
- (iv) Add 5% of the cost of new materials towards loading, unloading and transport to new site.
- (v) Add 10% of the present value of all the materials to be erected in the new site towards erection charges.
- (vi) 5% of the present value of retrievable scrap materials towards transport charges.
- (vii) Due credit shall be given to the consumer/applicant as below but however limited to the total estimated cost of new work:
  - (a) Book value/written down value subject to a minimum of 20% of the cost of retrievable and reusable materials but not used in the new site.
  - (b) Scrap value on the retrievable but not reusable materials at not less than 10% of its original value.

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<sup>1</sup> Substituted as per Commission's Notification No.TNERC/DC/18-9,dated 01.07.2014,(w.e.f from 6.8.2014), which before substitution stood as under:



The cost of shifting a new service connection for which line is laid but service connection is yet to be effected shall be borne by the intending consumer. The intending consumer shall pay the above charges in advance in full. The shifting work will be

(2) After completion of the work, a revised estimate shall be prepared with a copy to the consumer based on the actual cost of materials, loading, unloading, transport and erection charges. If the original estimate cost is more than the revised estimate, the balance shall be refunded to the applicant/consumer within 3 months.

(3) With regard to shifting of existing service connection, the consumer shall pay all the arrears due to the Licensee, apart from the above shifting charges.]

### 38. RESTRICTIONS ON USE OF ELECTRICITY:

The consumer shall curtail, stagger, restrict, regulate or altogether cease to use electricity when so directed by the Licensee, if the power position or any other emergency in the Licensee's power system or as per the directives of SLDC/ SSLDC warrants such a course of action. The Licensee shall not be responsible for any loss or inconvenience caused to the consumer as a result of such curtailment, staggering, restriction, regulation or cessation of use of electricity. Notwithstanding anything contained in any agreement/ undertaking executed by a consumer with the Licensee or in the tariff applicable to him, the consumer shall restrict the use of electricity in terms of his/her maximum demand and/ or energy consumption in the manner and for the period as may be specified in any order that may be made by the Licensee on the instructions of State Government or the Commission.

### <sup>3</sup>[39.TEMPORARY SUPPLY:

Temporary supply of electricity to any premises shall be dealt with as below:-

(1) If the temporary supply as in the case of construction of building etc. is to be converted into permanent supply after completion of the construction, normal procedure to effect the supply to regular categories shall be followed and the consumer shall be charged under temporary supply tariff, i.e permanent supply procedure shall be adopted with temporary supply tariff. An undertaking shall be obtained from the consumer to the effect that the consumer will accept to convert the temporary supply into appropriate permanent category after completion of the construction work in accordance with the regulations in force and to pay the charges if any arising out of such conversion. In such conversion, if conversion from lower voltage to higher voltage is involved, the existing lower voltage service connection shall be closed and new higher voltage service connection shall be provided in accordance with the regulations in force. In case of conversion or closing of existing service connection account involves dismantling of part or whole of existing service line or erection of part or whole of service line or improvement of part or whole of existing service line or combination of the above, due credit/debit shall be given to the consumer as below:

- (i) Book value/written down value subject to a minimum of 20% of the cost of retrievable and reusable materials shall be credited.
- (ii) Scrap value on the retrievable but not reusable materials shall be credited and this value shall be not less than 10% of its original value. No credit or debit shall be levied on the non-retrievable materials.
- (iii) Dismantling, transport and overhead charges shall be chargeable to the consumer.
- (iv) Cost of material, transport and erection charges for the part or whole of the new service line or improvement to the existing service line shall be chargeable to the consumer.

(2) In case of providing supply purely for the temporary purpose, the following procedure shall be followed:

- (i) Cost of extension/improvement of lines for providing the supply shall be charged to the consumer.
- (ii) Security deposit equivalent to three times of the tariff charges for the consumption as calculated below shall be collected and maintained throughout the temporary supply period:

$$\text{Security Deposit} = 3 \times L \times LF \times H \times D \times T$$

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taken up only after the payment is made. The estimate will cover the following: -

- (a) Charges for dismantling at the old site.
- (b) Charges for transport from the old site to the new site.
- (c) Charges for re-erection at the new site.
- <sup>\*\*1</sup>[(d) Depreciated value of retrievable materials, if any, not used at the site should be credited to the consumer.
- (e) Cost of new materials including transport, if required
- (f) Cost of irretrievable materials at depreciated value.]
- (g) Overhead charges.

<sup>{\*1</sup>Substituted as per Commission's Notification No TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under :

- (d) Depreciation of retrievable old materials, if any, not re-used at the site.
- (e) Cost of new materials, if required.
- (f) Cost of irretrievable materials. }

<sup>2\*</sup>Substituted for the expression "fees" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted as per Commission's Notification No.TNERC/DC/8-17,dated 06-9-2013 (w.e.f.19-9-2013) which before

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substitution stood as under:

Temporary supply of electricity to any premises will be considered by the Licensee on special terms and conditions as below:—

(1) The Licensee shall extend temporary supply on application from intending consumer with required <sup>2\*</sup>[charges] and on receipt of deposit.

(2) The deposit for temporary supply shall be calculated as below:

Total value of materials to be used on the extension and	
Service connection	A
Less: Value of meters / meter board / cut out	B
Net value of materials to be recovered from the consumer	A – B
Add: Labour charges to be incurred	C
Add: Overhead 15% on A – B + C	D
Probable consumption charges	
Advance current consumption (CC) charges	E
Total deposit to be obtained	F
(A – B + C + D + E)	

(3) On completion of temporary supply works, the following charges shall be adjusted against the deposit.

1. 10% cost of the retrieved materials
2. 10% cost of meter devoluted
3. 100% cost of materials not retrieved
4. original erection charges, dismantling charges and transport charges
5. Overhead at 15% on the total cost of materials plus labour charges (including cost of meter)

(4) The Licensee shall refund the balance deposit if any after the temporary supply period is over within a period to be specified by the Commission.

Where,

L = Connected Load in kW

LF = Load Factor = 0.5

H = Number of hours of a day = 24 Hours

<sup>1</sup>[ D = Number of days of billing cycle period as specified in regulation 8(1) of the Supply Code/proposed period of use whichever is less]

T = Tariff rate of Temporary supply as specified by the Commission from time to time

- (iii) The security deposit shall be reviewed during every billing cycle or proposed period of use and enough care shall be taken to maintain the security deposit at the average level of consumption subject to the minimum of the calculated level till the closing of the temporary supply account. At any time, if the security deposit is found to be less than the amount specified, the additional security deposit shall be collected along with the Current Consumption charges.
- (iv) The temporary supply account shall be closed after the completion of temporary supply period and credit shall be refunded to the consumer as specified in sub-regulation (1) of this regulation. The Licensee shall refund the balance deposit, if any after the temporary supply period is over within a period specified by the Commission.]

#### 40. ENERGY CONSERVATION:

Promoting efficient use of energy including energy audit towards this end and energy conservation by all the consumers and the Licensee shall be mandatory as per the provisions contained in the Energy Conservation Act 2001 subject to the condition that such stipulations are not inconsistent with the Electricity Act 2003.

#### 41. SERVICE OF NOTICE:

All letters, bills and notices including those under statutory requirements will be sent by the Licensee to the consumer by ordinary post or by messenger. Documents of notices so dispatched shall be presumed to have been duly received by the consumer on the date on which he could be reasonably expected to receive the same. The Licensee may, if it chooses, adopt any other mode of service of documents and notices to the consumer.

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<sup>1</sup> Substituted as per Commission's Notification No.TNERC/DC/8-20, dated 11.9.2014, (w.e.f 15.10.2014) which before substitution stood as under:

D = Number of days of billing cycle period as specified in regulation 8(3) of the Supply Code/proposed period of use whichever is less

<sup>2</sup><sup>1</sup>[\*\*\*]42. KNOWLEDGE OF ACTS, RULES, REGULATIONS, Orders, etc.: Subject to the provisions contained in the Note 1 to sub-regulation (13) of regulation 29, the consumer will be deemed to have full knowledge of the provisions of 'applicable Acts, Rules and all Regulations and Notifications' made there under. The consumer shall act in due conformity with all the applicable Acts, Rules and all Regulations and Notifications mentioned above.]

43. INTERPRETATION: These terms and conditions shall be read and construed as being subject in all respects to the provisions of the Act, Rules, and regulations in force and as amended from time to time.

#### **Chapter 7 : Recovery Charges**

44. The Licensees are entitled to collect the charges from a person requiring supply of electricity any expenses reasonably incurred in providing any electrical line or electrical plant used for the purpose of giving that supply. These charges have also to be reviewed either periodically or at times of an urgent need for a revision. The consumers are liable to pay such charges as applicable and at the rates specified by the Commission from time to time through separate orders/ notifications. The various charges to be collected are furnished in the following clauses.

45.(1) Service Connection Charges: Regarding the recovery relating to service connection charges:

(i) For connecting up an installation, the Licensee shall be entitled to charge the consumer the actual cost of materials upto meter board, labor, transport plus overhead charges.

(ii) Extension, improvement or alteration to service lines to meet any additional demand will be charged on the same basis. In each case, the consumer will be furnished with an estimate of the cost of the work and this amount is payable in advance. On completion of the work, a bill for the actual amount payable will be forwarded to the consumer and any difference shall be paid by the consumer or will be refunded by the Licensee as the case may be.

(iii) The estimate for service connection charges may also include the service connection charges for metering referred to in regulation 45(2). The licensee shall give due credit for the materials if any supplied by the consumers.

(2) Service connection charges for metering. The licensee is authorized to collect service connection charges for metering.

46. Meter Security Deposit: The Licensee is authorized to collect security for the price of meter from LT/HT consumers at the rates specified by the Commission from time to time and enter into an agreement for hiring of the meter. The Licensee may permit the consumer to install his/her own meter. However, it shall be calibrated by the Licensee.

Note : -

1. The above rate shall also apply to L.T. Temporary Supply.

2. Interest is payable on the above deposit at the rate specified by the Commission from time to time. The deposit shall be refunded after termination of service agreement, as per rules.

If a consumer elects to purchase his own meter, he is not required

47. Development Charges: The Licensee is authorized to collect development charges from LT/HT consumers at the rates specified by the Commission from time to time.

Note:—

(1) The above development charges (one time payment) shall be collected from all applicants both for new and additional loads.

(2) For additional loads applied in the existing service the same rates are applicable.

(3) In case of conversions from Single Phase to Three phase the difference in the development charges shall be collected provided the initial development charges were paid while availing Single Phase Service.

(4) One fourth of the development charge shall be applied to temporary supplies.

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<sup>1</sup>Substituted for the expression "The Consumer will be deemed" as per Commission's Notification No. TNERC /DC/8-4, dated 22-06-2006 (w.e.f. 16-8-2006)

<sup>2</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

42. KNOWLEDGE OF FACTS, RULES, ORDERS, etc., : <sup>1</sup>[ Subject to the provisions contained in Note 1 to sub-

regulation(13) of regulation 29, the consumer will be deemed] to have full knowledge of the provisions of 'applicable Acts, Rules and all regulations and notifications made there under. The consumer shall act in due conformity with all the applicable Acts, Rules and all regulations mentioned above and, if he does not so act, his/her supply may be discontinued without prejudice to any other action that may be taken by the Licensee.

48. Earnest Money Deposit (EMD) : The Licensee is authorized to collect Earnest Money Deposit from all applicants for HT and LT industrial applicants at the rates specified by the Commission from time to time. This will be adjusted against the quantum of initial Security Deposit payable by the applicants before availing supply.

49. Security Deposit : The Licensee is authorized to collect initial security deposit at the rates specified by the Commission from time to time. Wherever Earned Money Deposit has been adjusted against the initial security deposit the balance if any will be collected from the applicants before giving supply.

50. Code to be read along with Supply Code, Electricity Act, 2003 and amendments etc.,

(1) This Code shall be read along with the Supply Code, the Tamil Nadu Electricity Grid Code and other relevant provisions of the Act, along with amendments thereon, rules and regulations made there under.

(2) Where any of the provisions of this Code is found to be inconsistent with those of the Act, rules or regulations made hereunder, notwithstanding such inconsistency, the remaining provisions of this Code shall remain operative.

(3) Where any dispute arises as to the application or interpretation of any provision of this Code, it shall be referred to the Commission whose decision shall be final and binding on the parties concerned.

(4) Wherever extracts of the Electricity Act, 2003 are reproduced, any changes / amendments to the original Act shall automatically be deemed to be effective under this Code also.

#### Chapter 8 : Code Review Panel

51. Appointment of Code Review Panel etc.,

(1) The Commission may appoint a Code Review Panel (hereafter in this Chapter referred to as "Panel") consisting of—

(a) <sup>1</sup>[A Chairperson at the level of Director of the Distribution Licensee.

(b) A Member Secretary, who shall be the Chief Engineer/Commercial of the Distribution Licensee.

(c) One Member from the SLDC who is not below the rank of Chief Engineer.

(d) Three representatives from the Distribution Licensee who are not below the rank of Chief Engineer and one representative from the Distribution Licensee who is not below the rank of Chief Financial Controller.

(e) One representative from LT domestic consumer sector, one from LT commercial sector, one from LT industry sector and one from LT agricultural consumer sector.

(f) One member representing the EHT / HT consumers.

(g) One member representing open access consumers.

(2) The Member Secretary shall arrange for the Panel meeting. The tenure of the members mentioned under clauses (e), (f) and (g) of sub-regulation (1) shall be three years. The members, on expiry of their term, are not eligible for re-nomination.]

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<sup>1</sup> Substituted as per Commission's Notification No.TNERC/DC/8-19,dated 01.07.2014,(w.e.f 06.8.2014) which before substitution stood as under :

(a) <sup>a</sup>[A Chairman who is a member of the Commission.

(b) A Member Secretary, who is not below the rank of Chief Engineer of STU.

(c) One Member from the SLDC who is not below the rank of Chief Engineer.

(d) <sup>2</sup>[Three representatives from the distribution Licensee who are not below the rank of Chief Engineer.] ]

(e) One Member from Rural Electricity Co-Operatives Societies if any.

(f) Two representatives from domestic consumer sector, one from LT industry sector and one from agricultural consumer sector.

(g) One Member representing the EHT / HT consumers.

(h) One member representing captive / non-conventional energy source.

(2) The panel may, from to time, and in any case, at least once in three months and shall, when so required by the Commission, meet to consider changes or modifications to the Code as may be warranted. <sup>3</sup>[The Member Secretary shall arrange for the panel meeting in consultation with the Chairman of the Code Review Panel. The tenure of the members mentioned under clauses (f), (g) and (h) of sub-regulation (1) shall be three years. The Commission shall have powers to re-nominate any member on expiry of his/her term.]

<sup>1a</sup> Substituted as per Commission's Notification No.TNERC/DC/8-11, dated 29-06-2009 (w.e.f. 22-07-2009) which before substitution stood as under:

- (a) A Chairman who is not below the rank of Chief Engineer or an equivalent cadre from STU.
- (b) A Member Secretary, who is an officer not below the rank of Superintending Engineer or an equivalent cadre from STU.

(3) The functions of the panel are-

- (a) to review the working of various provisions of this Code,<sup>1</sup>[\*\*\*] and the Supplies Code.
- (b) to consider the suggestions received from Licensees, consumers and other interested persons;
- (c) to consider and offer its views on any specific matter as may be referred to it by the Commission.

(4) Manner of reviewing the Code—

(i) Any licensee, consumer or other interested persons desiring any change in this Code shall send the proposal in writing to the Panel specifying the reasons for such change and setting out the attendant circumstances. For this purpose, the licensee may hold meetings with the consumer or group of consumers if it is considered that the Code may require changes to meet the individual requirements of the consumer or group of consumers.

(ii) The Panel shall, upon receipt of such proposal or where the Commission has made a reference, forward the same to the STU for its consideration and written comments.

(iii) The Panel shall convene a meeting of its members to consider the comments of the STU, and if necessary at its discretion, invite and hear the person who made the suggestions for change and other interested persons and also the local authorities and telecommunication companies.

(iv) The Panel may, in considering the suggestion and the comments of the STU thereon, set up sub committees to study the related issues.

(v) The Panel after finalizing its views on the modifications to the Code, forward the same to the Commission:

Provided that the Panel may supplement its own procedure in addition to the procedure laid down herein for conducting its meetings and in carrying out its functions.

(5) The Commission may approve the changes with or without modification as it may deem fit and cause the publication of the same in such manner as may be necessary.

(c)One Member from the SLDC

(d)One representative from each of the distribution Licensees

<sup>2</sup> Substituted as per Commission's Notification No.TNERC/DC/8-14, dated 14-03-2011 (w.e.f.30.03.2011) which before substitution stood as under:

**(d) One representative from each of the distribution Licensees who is not below the rank of Chief Engineer**

**2** Inserted as per Commission's Notification No.TNERC/DC/8-11, dated 29-06-2009 (w.e.f. 22-07-2009)}

<sup>1</sup> Omitted as per Commission's Notification No. TNERC / DC / 8-14 dated 14.03.2011(w.e.f.30.03.2011) which before omission stood as under:

**the Tamil Nadu Electricity Grid Code**

ANNEXURE I  
LOAD DATA FOR DEMANDS OF 1 MW AND ABOVE  
[Refer clause 6(3)]

1. Type of Load
2. Minimum Demand (KVA)
3. Year/Years by which full / part supply is required
4. Load location details
5. Rated Voltage and Frequency
6. Expected load curve
7. Withstand level of equipments/devices for the fluctuations, surges, swells, flickers and spikes
8. Characteristics of the loads  
(State whether the loads are steel melting furnace  
Arc/induction furnace and rolling mills, traction,  
containing welding sets in large numbers, software park etc.)  
(Furnish location map to scale, indicate details of nearest consumer and category / capacity)
  - i. Motors ( with a specific focus on variable speed motors; soft start motors; fans; Blowers etc.)  
(State purpose and number of Installations, voltage and KW rating, starting current, type of Motors, types of drives  
and control arrangements.)
  - ii. Heating (Type and KW rating)
  - iii. Furnace (Type, Furnace Transformer Capacity and voltage ratio)
  - iv. Computer, Inverters, UPS and other switched mode supply unit
  - v. Electrolysis (Purpose, KVA capacity)
  - vi. Lighting (types of lighting used) (Low loss energy conservation lamps, fluorescent Lamps, M.V Lamps, Sodium  
Vapour lamps) demand in kVA
  - vii. P.F improvement capacitors/ Capacitor Banks (Nos, Capacity in MVAR)
  - viii. Air conditioning / Chilling plant
  - ix. Electronic Regulator for fan
  - x. Phase unbalance imposed on system
    - (a) Maximum (%)
    - (b) Average (%)
9. Maximum harmonic content imposed on the supply system on the end consumer level in percentage of fundamental  
voltage/current.
10. Details of any loads, which may cause demand fluctuations of greater than 10 MW at the point of connection, including  
Voltage Dips (percentage) lasting for 5 seconds and more  
MVAR/KV  
MW/Hz  
MVAR/Hz  
(Furnish details of devices included in system for the suppression of harmonics i.e. the details of harmonic filter in use.)
11. Details of Captive Power Plants :

## ANNEXURE II

### SYSTEM DATA TO BE PROVIDED TO THE INTENDING CONSUMER WITH A CONTRACTED DEMAND OF 1 MW OR MORE

[Refer clause 6(3)]

1. A topographical map indicating the area of the licensee's supply network in the State of Tamil Nadu.
2. Single line diagram of distribution system ( OH lines/ UG cables -length and conductor sizes) Primary and secondary substation capacity in KVA, capacitor bank sizes, fault level etc. to be indicated. (restricted area of concern for the prospective consumers)
3. Protective relaying and metering arrangements at substations.
4. Details of the substation and its main equipments (Transmission/Sub Transmission) along with a single line diagram of the SS.

Furnish the details of Auto/Power Transformer

Capacity in MVA	Primary KV
Voltage rating	Secondary KV
Current rating	Primary Amps
Tap changing	Secondary Amps
Range	off load/on load
Percentage impedance	- ..... % to +.....%
Vector group	..... per cent
Impulse level (BIL)	.....
Fault level of the system	..... KVP
Earthing system	..... MVA
Power frequency voltage withstand	solidly earthed or not
Circuit breakers	..... KV for one minute
	Type : Vacuum/SF6/Oil (OMCB,OCB)
	Current rating
	Voltage rating
	Rupturing capacity in (KA)
	Symmetrical
	Asymmetrical
	Impulse withstand level ... KVP
	Operating mechanism
	(Gapless) – MCOV
Surge arrester	Surge current rating
	(Gapped) - rated voltage
	Surge current rating
Provision of spiked Mats for the Power/ Auto Transformer	Ground wire for the station
	Line entrance Arrester
	Earth mat
Current Transformer	Type
	Rated voltage
	Current ratio
Potential Transformer	Type
	Rated voltage
	Burden
Capacitor Bank	MVAR/Bank



Fire fighting equipment  
(Details)

Voltage rating ...KV  
Current rating ... Amp  
Type – Nos.

#### ANNEXURE III : FORMATS

- |        |   |  |
|--------|---|--|
| FORM 1 | > | Application Form for L.T. Service Connection<br>(except agriculture and hut) |
| FORM 2 | > | Application Form for Agriculture Service Connection                          |
| FORM 3 | > | Application Form for Hut Service Connection                                  |
| FORM 4 | > | Application Form for H.T. Service Connections (including additional demand)  |
| FORM 5 | > | Owner Consent Letter for getting New Supply                                  |
| FORM 6 | > | Indemnity Bond from the Occupier when there is no Consent letter from owner  |
| FORM 7 | > | L.T. Agreement for Industrial / Agricultural Services                        |
| FORM 8 | > | H.T. Agreement Form  |

1 [ "FORM-1  
Application Form for L.T. Service connection (except Agriculture and Hut)  
FORM OF REQUISITION FOR SUPPLY OF LOW TENSION ENERGY ( SINGLE PHASE / THREE PHASE)  
[Refer regulation 27(3)]

To  
The Designated Engineer  
(Address of the Licensee)  
Sir,

1. I hereby request you to supply electrical energy to the premises hereinafter described.

(Note : This undertaking does not preclude a separate written contract being entered into, if so desired by the Licensee or the consumer.)

2. I agree to pay for said energy, service connection charges, the deposit of such security, meter rent, as may be demanded in accordance with the scale of rates prescribed under Tamil Nadu Electricity Distribution Code, Supply Code, notifications and orders issued in this regard by Tamil Nadu Electricity Regulatory Commission.

3. I wish to be charged under Tariff ..... under schedule of the TNERC tariff order dated..... .

4. I agree to take supply for ..... years and utilize the energy in the premises described hereunder or outside the premises for my bonafide use.

5. In case I sell or otherwise dispose of the property / vacate the premises while the supply is continued, I agree to give one Calendar month notice in writing and pay all the arrears to the Licensee. Failing such notice, I hold myself responsible for energy consumed in the premises till such notice is given to the Licensee.

6. Description of the premises

Door No. and / or name of the house or premises

Street

Town / village and Taluk

Owned by (Name in Block letters)

Tenanted by (Name in block letters)

Applicant's address for correspondence:

The following are my requirements

7. The following are my requirements

(A) Lighting	Number of Points	Wattage of points	Total wattage
(i) Lights	-	-	-
(ii) Fans	-	-	-
(iii) Convenient wall plugs	-	-	-
(B) Domestic electrical apparatus:			
(i) Cookers	-	-	-
(ii) Water heaters	-	-	-
(iii) Refrigerator	-	-	-
(iv) Air Conditioners			
(v) Other purpose	-	-	-
(vi) Convenient wall plugs			
(C) Power Loads			
(i) Domestic			
(ii) Industrial			
(iii) Welding			
(iv) Other purposes			

(v) Convenient Wall Plugs Demand  
applied for in KW

The wiring has been completed on :

Signature of the Applicant

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Place :

Date :

Note : The application shall be accompanied with the following documents:

- (i) Certified copy of proof of ownership such as sale deed/ partition deed/gift settlement /allotment letter/computer patta / ownership certificate issued by revenue department officials /court judgment or recent property tax receipt.
- (ii) In the case of joint property, certified copies of proof of ownership such as legal heir certificate along with parent documents specified in note(i) above and consent letters from co-owners. If consent letter is not produced, an indemnity bond with enhanced security deposit.
- (iii) If the applicant is not the owner, consent letter from owner in FORM NO.5 or valid proof of occupancy, and indemnity bond in FORM NO.6.

FOR LICENSEE'S USE ONLY

Application registered as No.

dated

Note.1. In case of transfer of the service, fresh application should be signed by the transferee (or a letter signed by both the transferor and transferee, agreeing to the above conditions for transfer should be obtained).

2. Additions or omissions to the connected load to be notified to the Licensee before effecting the electricity connections.

PRECAUTION TO BE ADOPTED BY CONSUMERS, OWNERS, ELECTRICAL CONTRACTORS, ELECTRICAL WORKMEN, AND OTHER SUPPLIERS OF ENERGY

No electrical installation work, including additions, alterations, repairs and adjustments to existing installations except such replacement of lamps, fans, fuses, switches and other component parts of the installations as in no way alter its capacity or character shall be carried out upon the premises or on behalf of any consumer or owner for the purpose of the supply of energy to such consumer or owner, except by an authorized person specified by the Authority.]

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<sup>1</sup> Substituted as per Commission's Notification No.TNERC/DC/8-21,dated 7.10.2014 which before substitution stood as under:

{ FORM I  
Application Form for L.T. Service connection (except Agriculture and Hut)  
FORM OF REQUISITION FOR SUPPLY OF LOW TENSION ENERGY ( SINGLE PHASE / THREE PHASE) [Refer  
clause 27(3)]

To

The Designated Engineer  
(Address of the Licensee)

Sir,

1. I hereby require you to supply electrical energy to the premises hereinafter described.  
(Note this undertaking does not preclude a separate written contract being entered into, if so desired by the Licensee or the consumer.)

8. I agree to pay for said energy, service connection and other dues including the deposit of such security, meter rent, as may be demanded in accordance with the scale of rates prescribed under Tamil Nadu Electricity Distribution Code, Supply Code, notifications and orders issued in this regard by Tamil Nadu Electricity Regulatory Commission.

9. I wish to be charged under Tariff ..... under schedule of the TNERC tariff order dated.

10. I agree to take supply for ..... years and utilize the energy in the premises described hereunder or outside the premises for my bonafide use.

11. In case I sell or otherwise dispose of the property / vacate the premises while the supply is continued, I agree to give one Calendar month notice in writing and pay all the arrears to the Licensee. Failing such notice, I hold myself responsible for energy consumed in the premises till such notice is given to the Licensee.

12. Description of the premises

Door No. and / or name of the house or premises

Street

Town / village and Taluk

Owned by (Name in Block letters)

Tenanted by (Name in block letters)

Applicant's correspondence address

7. The following are my requirements

(A) Lighting	Number of Point's	Wattage of point's	Total wattage
(i) Lights	-	-	-
(ii) Fans	-	-	-
(iii) Convenient wall plugs	-	-	-
(B) Domestic electrical apparatus:			
(i) Cookers	-	-	-
(ii) Water heaters	-	-	-
(iii) Refrigerator	-	-	-
(iv) Air Conditioners			
(v) Other purpose	-	-	-
(vi) Convenience wall plugs			
(C) Power Loads			
(vi) Domestic			
(vii) Industrial			
(viii) Welding			
(ix) Other purposes			

(x) Convenient Wall Plugs

Demand applied for in KW

The wiring has been completed on :

Signature of the Consumer

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Place

Date

Note : The application shall be accompanied with the following documents:

- (i) Proof of ownership (sale deed or property / water / sewerage tax receipt)
- (ii) Consent letter from owner wherever applicable

FOR LICENSEE'S USE ONLY

Application registered as No.

dated

Note.1. In case of transfer of the service, fresh application should be signed by the transferee (or a letter signed by both the transferor and transferee, agreeing to the above conditions for transfer should be obtained).

2. Additions or omissions to the connected load to be notified to the Licensee before effecting the electricity connections.

PRECAUTION TO BE ADOPTED BY CONSUMER S, OWNERS, ELECTRICAL CONTRACTORS, ELECTRICAL WORKMEN,  
AND OTHER SUPPLIERS OF ENERGY

No electrical installation work, including additions, alterations, repairs and adjustments to existing installations except such replacement of lamps, fans, fuses, switches and other component parts of the installations as in no way alter its capacity or character shall be carried out upon the premises or on behalf of any consumer or owner for the purpose of the supply of energy to such consumer or owner, except by an authorized person specified by the Authority.}

## FORM-2

Application Form for Agriculture Service connection [refer  
clause 27(2)]

## APPLICATION FOR SUPPLY OF POWER TO AGRICULTURAL PUMP SETS

(Note: The application should be signed by the owner of the well, if there are partners, all must sign or consent to be given by co-owners)

To

The Designated Engineer,  
(Address of the Licensee's Distribution Centre)

1. Name of owner of the well or partners
2. Full residential address of the owner or partners
3. S.F. No. in which the well is situated
4. Revenue village name, Taluk and District
5. Area and type of land to be irrigated by this well (Wet / Dry)
6. Horse Power of motor pump sets proposed to be installed.
7. Type of pump set (Centrifugal/ Submersible/ Air compressor)
8. Consent to abide by R&C of Licensee with regard to duration of supply

It is certified, I am the sole owner of the well / this application is signed by all partners

Place :

Date :

Signature of Applicant/ Partners

Note : The document such as FMB map showing the location of the well, patta, chitta, adangal etc., shall be enclosed with the application.

Date of receipt in the  
Office of the Engineer,

Certified that the open well/bore well and lands measuring.....acres and.....cents in  
S.F.No.....Village.....of.....Taluk is Exclusively owned by  
Thiru.....s/o.....of.....Village.

Jointly owned by

- List of owners (1).....s/o.....  
(2) .....s/o.....  
(3) .....s/o.....

Certified that Thiru .....s/o.....  
is small / big farmer(s)

Village Administrative Officer.

2 [ FORM-3

APPLICATION FOR HUT SERVICE

[Refer regulation 27(3)]

(Form of requisition for supply of Low Tension Energy to huts in Panchayats)

To

The Engineer of the Licensee

Sir,

1. I hereby request you to supply electrical energy to my hut described below:
2. I agree to pay for energy, service connection meter rent and other charges including security deposit as demanded in accordance with the regulations prescribed by Tamil Nadu Electricity Regulatory Commission.
3. I wish to be charged under Tariff ..... under schedule of the TNERC tariff order dated.....
4. I agree to receive supply only for .....W load and utilize the energy for my hut described hereunder and I agree that the authorities may disconnect the service connection in case I utilise the energy above the said load.
5. In case I sell or otherwise dispose of the hut, I agree to give one Calendar month notice in writing and pay all the arrears to the Licensee.
6. Description of the premises
  - (a) Name of the applicant
  - (b) Father's Name
  - (c) Adi Dravidar / Other Castes
  - (d) Survey No. / identification of hut
  - (e) Area of hut
  - (f) Whether the hut constructed with  
clay soil / thatched roof
  - (g) Village and Taluk
  - (h) Tenanted by (Name in block letters)
  - (i) Applicant's correspondence address

Place:  
Date :

Signature / left hand thumb impression  
of the Applicant

Note: The applicant shall produce documents as specified in item (i)&(ii) of 'Note' to FORM-1 of this Distribution Code, when the applicant is the owner of the premises, and produce documents in item (iii) when the applicant is not the owner of the premises. In the case of poromboke land, effecting of service connection will be governed by sub-regulation (12) in regulation 27 of this Code.

## FORM-4

Application for H.T. Service connections (Including addl. Demand).

FORM OF APPLICATION OF NEW SUPPLY OR ADDITIONS TO CONNECTED LOAD AND HAVE  
 MAXIMUM DEMAND EXCEEDING 63 KVA. [Refer  
 regulation 27(3)]

To

The Designated Engineer  
 (Address of the Licensee)

1. Name of consumer and registered address :
2. Address of consumer's premises at which  
supply is required :
3. Nature of service :
4. Voltage rating at which H.T. supply is required :
5. Data on consumers load :

	Notified connected load in H.P.	M.D. in KVA
Description		
As on date		
Subsequent additional sanction		
Estimated requirement now applied		
Total		
Brief details of industry to be served		
No. of shifts		
Probable date of load maturing		
Remark, if any, regarding essentiality of supply		

Signature of the Applicant

Name (in capital letter)



Note : The application shall be accompanied by the following documents:—

- (1) (a) When the applicant is the owner of the premises:

Certified copy of proof of ownership such as sale deed/partition deed/gift settlement executed in favour of the applicant/certified copy of court judgment

(or)

Recent Property Tax receipt for the premises in the name of the applicant.

- (b) When the applicant is not the owner of the premises:

Consent letter from the owner of the premises

(or)

Valid proof of occupancy along with the following,

- (a) Indemnity Bond in FORM 6

- (b) Letter of acceptance to pay enhanced security deposit

- (2) Partnership deed: in case the applicant is a partnership firm or Memorandum / Articles of Association in case of companies registered under Companies Act.

- (3) Letter / Resolution authorizing the signatory

- (4) Site Plan

6. Data to be furnished by Licensee

Estimated increase in M.D. of the undertaking. if any, the application is recommended	Capacity of existing services, if any	Nature of supply DC /AC voltage or low voltage, etc.,	Brief list of materials required, i.e. cable transformer switchgear, etc.,	Approximate cost of giving service	Any other remarks affecting the supply undertaking with particular ref. to plant site location of consumer installation
				Materials in stock	Materials to be ordered
1	2	3	4	5	6

13. Information regarding priority whether there is any prior H.T. applications in the connected area awaiting supply of power

Note : For the purpose of priority, the area served by the sub-station feeder will be taken into account.

Signature of Licensee's Engineer. ".]

<sup>2</sup> Substituted as per Commission's Notification No.TNERC/DC/8-21,dated 7.10.2014 (w.e.f 3.12.2014) which before substitution stood as under:

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{ FORM-3

APPLICATION FOR HUT SERVICE

[Refer clause 27(3)]

(Form of requisition for supply of Low Tension Energy 40 Watts to huts in Panchayats)

To

The Engineer of the Licensee

Sir,

6. I hereby request you to supply electrical energy to my hut described below:

7. I agree to pay for energy, service connection meter rent and other charges including security deposit as demanded in accordance with the regulations prescribed by Tamil Nadu Electricity Regulatory Commission.

8. I wish to be charged under Tariff ..... under schedule of the TNERC tariff order dated.

9. I agree to receive supply only for 40 W lamp and utilize the energy for my hut described hereunder and I agree that the authorities may disconnect the service connection in case I utilise the energy above 40 W.

10. In case I sell or otherwise dispose of the hut, I agree to give one Calendar month notice in writing and pay all the arrears to the Licensee.

11. I will make arrangements to make the single point wiring for lighting in my hut in accordance with the Code provisions and the safety rules prescribed by the Authority. I request the Licensee to provide single point wiring for lighting in my hut and the necessary payment will be made by me.

12. Self Declaration

The service connection applied for the hut is owned by me and

(a) it is built in my patta land (Land Tax Receipt is enclosed)

(b) it is built in the private land and No Objection Certificate obtained from the landowner is enclosed.

(c) it is built in the poromboke land and No Objection Certificate obtained from the Officer (not below the rank of Deputy Tahsildar) is enclosed.

<sup>1</sup>[d] It is built in the poromboke land and I furnish the following undertaking,—

(1) I am aware that I am liable to be evicted and for supply disconnection at any time if the lands are required by the Government and / or any dispute arises at a later date and that electricity supply given in this regard will not confer any claim on ownership of the land.

(2) I am aware that the above undertaking shall not confer permanent and full right to the ownership of the land.

(Delete clause not applicable)]

8. Description of the premises

(a) Name of the applicant

(b) Father's Name

(c) Adi Dravidar / Other Castes

(d) Survey No. / identification of hut

(e) Area of hut

(f) Whether the hut constructed with  
clay soil / thatched roof

(g) Village and Taluk

(h) Tenanted by (Name in block letters)

(i) Applicant's correspondence address

Signature of the Consumer/  
left thumb impression

FORM-4

Application for H.T. Service connections (Including addl. Demand).

FORM OF APPLICATION OF NEW SUPPLY OR ADDITIONS TO CONNECTED LOAD AND HAVE  
MAXIMUM DEMAND EXCEEDING 63  
KVA. [Refer clause 27(3)]

1. Name of Electricity supply Licensee and registered address:

2. Name of consumer and registered address :

3. Address of consumer's premises at which  
supply is required :

4. Nature of service :

5. Voltage rating at which H.T. supply is required :

6. Data on consumers load :

	Notified connected load in H.P.	M.D. in KVA
Description		
As on date		
Subsequent additional sanction		
Estimated requirement now applied		
Total		
Brief details of industry to be served		
No. of shifts		
Probable date of load maturing		
Remark, if any, regarding essentiality of supply		

Signature of Consumer

Name (in capital letter)

Date  
Office Seal.

<sup>1</sup>[Note : The application shall be accompanied by the following documents:—

(1) (a) When the applicant is the owner of the premises:

Certified copy of the sale deed for the premises executed in his favour

(or)

Property Tax receipt for the premises in the name of the applicant.

(b) When the applicant is not the owner of the premises:

Consent letter from the owner of the premises

(or)

Proof of legal occupation (including lease deed) along with the following:

(a) Indemnity Bond in Form 6

(b) Letter of acceptance to pay security deposit at twice the normal rate.

(5) Partnership deed: in case the applicant is a partnership firm or Memorandum / Articles of Association in case of companies registered under Companies Act.

(6) Letter / Resolution authorizing the signatory

(7) Site Plan]

7. Data to be furnished by Licensee

Estimated increase in M.D. of the undertaking. if any, the application is recommended	Capacity of existing services, if any	Nature of supply DC /AC voltage or low voltage, etc.,	Brief list of materials required, i.e. cable transformer switchgear, etc.,	Approximate cost of giving service	Any other remarks affecting the supply undertaking with particular ref. to plant site location of consumer installation
				Materials in stock	Materials to be ordered
1	2	3	4	5	6

8. Information regarding priority whether there is any prior H.T. applications in the connected area awaiting supply of power

Note : For the purpose of priority, the area served by the sub-station feeder will be taken into account.

Signature of Licensee's Engineer.

<sup>1</sup> Substituted as per Commission's Notification No. TNERC/DC/8-5, dated 20-07-2006 (w.e.f. 16-8-2006) which before substitution stood as under:

Note : (1) The application shall be accompanied by the following documents:

- \* Proof of ownership of the premises (or) Registered lease deed
- \* Partnership deed, in case the applicant is a partnership firm

- \* Memorandum / Articles of Association in case of companies registered under Companies Act
- \* Letter / Resolution authorizing the signatory
- \* Site Plan}

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FORM-5

Owner Consent Letter for getting New Supply.

[Refer clause 27(4)]

To

The Designated Engineer  
(Address of the Licensee)

OWNER'S CONSENT LETTER

I \_\_\_\_\_ have \_\_\_\_\_  
being the legal owner—of the premises No. \_\_\_\_\_ hereby agree as follows:—

I consent to the installation by you at the above mentioned premises tenanted by Thiru / Thirumathy \_\_\_\_\_  
\_\_\_\_\_ of electric service cables, meters, wiring, fittings and other equipments for  
the supply of electricity (hereinafter called "The Installation") under the terms of an agreement between you and the tenant of the  
above said premises.

In the event of the above said tenant vacating the aforesaid premises, I shall give you due notice fifteen days advance to  
enable you to arrange for the termination of your contract with the aforesaid tenant failing which I shall be responsible for any  
loss that may accrue on that account.

Signed by the said \_\_\_\_\_

In the presence of \_\_\_\_\_

Witness Name \_\_\_\_\_

Address \_\_\_\_\_

## FORM-6

(To be obtained in a stamped paper).

(Refer clause 27(4))

Indemnity Bond from the occupier when there is no consent letter from owner.

Indemnity Bond to be furnished by an intending consumer who is not the owner of the premises and applies without the consent of the owner

## DEED OF INDEMNITY

THIS DEED OF INDEMNITY EXECUTED ON THIS, THE ..... DAY OF ..... TWO THOUSAND ..... by Thiru./ Tmt. .... S/o. D/o. W/o. .... residing at ..... having office / workshop at ..... hereinafter called the indemnifier (which terms shall mean and include executors, administrators, heirs, successors and assigns) to and in favour of the (name of Licensee and address), a body corporate, hereinafter called the Licensee (which terms shall mean and include its successors in office and assigns).

WHEREAS the consumer has taken on lease the premises in Door No.....for the purpose of .....from Thiru./ Tmt. ....S/o. D/o. W/o. ....residing at ..... who is the owner of the above said premises.

AND WHEREAS the consumer has approached the said owner of the premises to give his /her consent in writing to avail of a service connection in his/her name for the purpose of his / her business.

AND WHEREAS the said owner is not available/has refused to give his/her consent in writing for the purpose.

AND WHEREAS the indemnifier has requested the Licensee to give a service connection in his/her name subject to execution of an indemnity bond by him/her indemnifying the Licensee against any damage or loss caused to the Licensee in respect of the service connection in his/her name.

AND WHEREAS in consideration of the acceptance of the above for a service connection in his/her name, the indemnifier hereby agrees to indemnify the Licensee against all proceedings, claims, demands, costs, damages, expenses which the Licensee may incur by reason of a fresh service connection given to the indemnifier without the consent of the owner of the premises. The indemnifier further undertakes to make good any sum that may be found to be and become payable to the Licensee with regard to all liabilities and claims personally as well as by means of both movable and immovable properties. The indemnifier agrees that the enhanced Security Deposit paid by him shall be adjusted against the arrears of current consumption charges but also against any claim that may arise in the event of termination of the agreement prior to the expiry of the contracted period. The indemnifier further undertakes that the Licensee shall be at liberty to disconnect the service connection given to him/her , and also for loading the dues remaining unpaid by him/her to other service connection (s) that may stand in his/her name.

NOW THE CONDITION OF THE above written bond is such that if the indemnifier shall duly and faithfully observe and perform the above said conditions, then the above written bond shall be void, otherwise the same shall remain in full force.

IN WITNESS WHEREOF Thiru/ Tmt. ....the indemnifier has signed this deed on the day month and year herein before first mentioned.

SIGNED AND DELIVERED BY

In the presence of Witness  
(Name and Address)-

- 1.
- 2.

FORM-7  
L.T. Agreement for Industrial / Agricultural Services [Refer clause 33(1)]  
(LICENSEE NAME)  
L.T. AGREEMENT FORM

1. Scheme No.....  
Name of Extension
- (ii) Sanction No. ...  
Name of consumer  
Security Deposit  
Permanent Receipt No.....Dt.....  
Stamp fee of Rs.....  
Collected in Receipt No.....Date.....  
S.C. No,.....  
Distribution.....  
Date of Service Connection (Date of Supply).....  
Date of commencement of agreement.....

FORM OF AGREEMENT TO BE TAKEN FROM CONSUMERS FOR SUPPLY OF LOW TENSION ELECTRICAL ENERGY  
AND MISCELLANEOUS CHARGES CONNECTED THEREWITH

Agreement made this .....day of .....Two thousand and ..... between the (Name of the Licensee) a body corporate for distribution of electricity in the area (Hereinafter referred to as the Licensee which expression shall include its representatives) of the one part, and..... (Hereinafter referred to as "the Consumer" which expression shall include his/her heirs, executors, administrators and Legal Representatives and permitted assigns) of the other part, whereby it is agreed as follows-

1 CONDITIONS OF SUPPLY

The Licensee shall furnish to the Consumer and the Consumer shall accept at the premises mentioned in the Schedule hereto on and from the date on which the said premises shall be connected with the Licensee's distributing main a constant supply of electrical energy for the purpose and up to the maximum specified and under the conditions laid down in the Distribution and Supply Code. But the Licensee or its employees, servants or agents will not be responsible for any interruption or diminution of the supply due to lockouts, strikes of the employees of the Licensee, breakdown of machinery or plant, flood or other force majeure or any other cause beyond the control of the Licensee.

The conditions if any imposed by the licensee based on the directions of the Commission shall bind the consumer.

The Consumers shall commence to take supply within a month from the date of receipt of intimation from the officers of the Licensee that supply is available unless the consumer, in the opinion of the Engineer, is unable to do so for causes reasonably beyond control. Where the supply is not availed of within one month from the date of intimation as aforementioned, the sanction for the load shall lapse and this agreement also shall stand cancelled.

<sup>2</sup> [\*\*\*]

The consumer shall permit the Licensee free of cost to erect the posts, transmission line, structures and other apparatus necessary for the supply of electrical energy under this agreement over the land belonging to the Consumer and the Consumer shall have no claim whatsoever on account of any damage to his/her property by reason of such erection of, or any other work on the posts transmission lines, structures and other apparatus.

The Consumer agrees to take supply under any conditions of restrictions of load and time that may be fixed by the Licensee from time to time and to pay the minimum under this agreement in full notwithstanding such restrictions.

Supply is liable to be restricted, staggered or cut off altogether, as the case may be, if the power position or any other emergency warrants such a course of action.

The Licensee reserves the right to periodical shut down as and when required for purposes of routine maintenance after giving reasonable notice to the Consumer.

## 2. PAYMENT FOR SERVICE LINES ETC.,

The consumer shall pay to the Licensee on demand the cost of any service lines in respect of which requisition has been made.

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## 3. METERS

The supply shall be measured and registered by a meter or meters in or upon the said premises to be provided, fixed and kept in proper order by the Licensee and such meter or meters shall remain the property of the Licensee. The consumer shall pay to the Licensee for each meter on hire the monthly rent as specified by the Commission from time to time. <sup>1</sup>[In the event of any meter ceasing to register or being found defective, the consumption during the period of such cessation or the existence of such defect shall be based on the average consumption of the preceding or succeeding four months, as the case may be as stipulated in the supply code.] No meter rent shall be collected from the consumer who opts for providing his/her own meter.

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8 dated 8.2.2008 (w.e.f. 27.2.2008) which before substitution stood as under:

In the event of any meter ceasing to register or being found defective, the readings during the period of such cessation or the power consumed during the period the meter was defective shall be based on the average consumption of the previous four months

<sup>2</sup>Omitted as per Commission's Notification No. TNERC/DC/8-19, dt. 01.7.2014, (w.e.f. 06.8.2014), which before omission stood as under:

The energy shall be utilized within the premises mentioned in the schedule hereto or outside the premises for the bonafide use of the Consumer. In case of difference of opinion as to whether any utilisation of energy outside the premises is for the bonafide use of the consumer, the matter shall be referred to the Engineer, whose decision shall be final.

## 4. READING OF METERS

Readings of the meter or meters will be taken by the employees of the Licensee once in each month or at such other intervals or times, as it shall think expedient and such meter readers shall have access to the Consumer's premises at all reasonable times, for the purpose of taking such readings. <sup>1</sup>[The reading of each meter shall be entered by such reader in the Meter Card supplied to the consumer, which shall be open to the inspection of the Consumer]. Payment for energy supplied shall be made by the consumer according to the reading referred to above of each meter and the charges recorded in the card by the Licensee.

The Licensee shall be entitled to discontinue supply if the consumer fails to give the employees of the Licensee reasonable facilities to enter the premises for the inspection, testing or removal of its supply lines meters, fitting works and apparatus and the Licensee has given in writing 24 hours notice of its intention so to discontinue.

## 5. FAULTS IN METERS

If the consumer shall at any time consider that any such meter is not in proper order and does not correctly register the quantity of the supply, the Engineer will on receipt of a representation in writing in that behalf from the consumer take necessary steps to have the same tested. If upon such test, it be found that the meter registers the supply within the limits of error as per applicable rules etc., the Consumer shall pay to the Licensee on demand all costs of and incidental to such test. If, however, upon such test it shall be found that the meter registers the supply in excess of the limits of error, all costs of and incidental to such test shall be borne by the Licensee. If, however, the mean error be found to be more than that specified above, the Engineer will deduct from or add to the account for the preceding period of four months an amount equivalent to the error.

## <sup>2</sup>[6. TARIFF AND PAYMENT

For all Electrical energy so supplied, the Consumer shall pay to the Licensee at the tariff/minimum rates that may be decided by the Commission from time to time]

## 7. CONSEQUENCES OF NON-PAYMENT

If the amount of such bill remains unpaid on the expiry of the due date the Licensee may give the consumers <sup>3</sup>[Fifteen days Notice] of his/her intention to discontinue the supply of electrical energy and at the expiry of such period if payment has not been received, may forthwith disconnect the supply and keep the same disconnected until payment of all moneys due under this agreement and the charges for the work of disconnection and reconnection has been made.

If the consumer fails to pay the amount of such bill due under this agreement within the notice period for payment as per the supply code, he shall in addition and without prejudice to the other rights and remedies of the Licensee, pay a surcharge of one and half per cent per month.

Such disconnection of the supply of electrical energy shall not relieve the Consumer of his/her liability to pay the minimum charge and the guaranteed revenue provided for herein, nor shall it affect any right, claim demand or power which may have accrued to the Licensee hereunder.

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

The reading of each meter shall be entered by such reader in the consumer meter card to be attached to such meter, which shall be open to the inspection of the Consumer

<sup>2</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before



substitution stood as under :

## 6. TARIFF AND PAYMENT

For all Electrical energy so supplied, the Consumer shall pay to the Licensee at the rates given below and in accordance with the terms contained, in this agreement, provided that the minimum rates at least specified herein shall be paid irrespective of whether energy to that extent has been consumed or not.

### NOTE:

The above tariff and the minimum are subject to any revision and or levy of surcharge that may be decided by the Commission from time to time.

<sup>3</sup> Substituted for the expression "Fifteen Notice" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

## 8. SECURITY DEPOSIT

The consumer <sup>1</sup>[\*\*\*] on being there unto required in writing by the <sup>2</sup>[Licensee shall] deposit with the designated Officer of the Licensee the sum of Rs.....(Rupees.....) as security for the purpose next herein after mentioned and shall on a similar requisition from the Designated Officer from time to time renew or replenish such security in the event of the same becoming exhausted or insufficient. Interest shall be paid on deposits at the <sup>3</sup>[rates] notified by the Commission from time to time. Full calendar months shall be taken for the purpose of calculating interest, which shall be calculated to the nearest rupee. The interest accruing to the credit, of the Consumer shall be adjusted as provided for in the supply code. The designated Officer, shall be at liberty at any time and from time to time to appropriate and <sup>4</sup>[adjust] the Security so deposited as aforesaid in or towards payment or satisfaction of all or any money which shall become due or owing by the Consumer to the Licensee in respect of the supply of energy or otherwise under this agreement, but the provisions contained in this clause shall not prejudice any other remedy to which the Licensee may be entitled for the recovery of such money.

## 9. TERMINATION OF AGREEMENT

The agreement can be terminated by the consumer at any time by giving one-month notice in writing to the Licensee expressing his intension to do so. In such case the consumer shall pay to the Licensee, from the date commencement of supply till the agreement is terminated, <sup>5</sup>[\*\*\*], minimum monthly charges, fixed charges, if any and other charges.

The Licensee can terminate agreement at any time by giving one month notice if the consumer has violated the terms of the agreement or the terms and conditions of the Distribution Code or provision of any law relating to the agreement including the applicable Acts and Rules and other orders <sup>6</sup>[issued by the Commission from time to time]. The Licensee shall inform the consumers the grounds for such termination:

Provided always the consumer may at any time with the previous consent of the Engineer transfer his rights under this agreement to any other person approved by the Engineer and upon acceptance by such transferee of a valid assignment of these presents, this agreement shall become binding on the transferee and licensee as from date of acceptance and take effect in all respect as if the transferee had originally been <sup>7</sup>[party] hereto, in place of the <sup>8</sup>[consumer], who shall thenceforth be discharged from any further liabilities under or in respect hereof, without prejudice, however, to any claim by the licensee against the consumer in respect of any prior breach of this agreement by the consumer.

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<sup>1</sup>The word "shall" omitted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Substituted for the expression "Licensee" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>Substituted for the expression "rate of" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>4</sup>Substituted for the expression "apply" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>5</sup>The words "security deposit" omitted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>6</sup>Inserted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>7</sup>Substituted for the expression "partly" as per Commission's Notification No. TNERC/D/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>8</sup>Substituted for the expression "customer" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

## 10. SALE OR TRANSFER OF PREMISES

If the consumer shall, at any time during the continuance of this agreement intend to sell or otherwise dispose of the

properties to vacate the premises to which electric supply is given or contracted for, he shall give <sup>1</sup>[prior] intimation to Engineer of his intention to do so and clear off all the dues to the Licensee up to that date. Upon receipt of such intimation and with effect from the date specified in such intimation the agreement in so far as the consumer is concerned shall cease to operate but without prejudice to any claim or right which may have accrued to the parties there under. If the consumer fails to give intimation as mentioned above he shall continue to be liable to pay the charges for consumption and other charges as under this agreement even beyond the date on which the premises is sold / vacated.

#### 11. APPLICABILITY OF ACTS AND REGULATIONS

This agreement shall be read and construed as subject in all respects to the provision of the applicable Act and Regulations as noted in Distribution Code and Supply Code and of any modification or re-enactment thereof for the time being in force and the regulations for the time being in force there under so far as the same respectively may be applicable and subject to the conditions of supply approved from time to time <sup>2</sup>[by the Commission].

#### 12. SAVINGS AS TO CLERICAL ERROR

(a) In the event of any clerical errors or mistakes in the amount levied, demanded or charged by the Licensee then in the case of undercharging, the Licensee shall have a right to demand an additional amount and in the case of over charging the consumer shall have the right to get refund of the excess amount provided at that time such claims were not barred by limitation under the Act. <sup>3</sup>[\*\*\*].

(b) The parties hereby further agree that the amount claimed in the bill shall be payable within the time allowed, irrespective of any decision to be taken regarding any disputes about its correctness or otherwise of the amount levied demanded charged by the Licensee. The Licensee shall have a right to proceed in accordance with the Act, on the basis of the amount claimed in the bills, till it is proved or established that the amount claimed was in excess of what was actually due. The consumer shall not on the plea of incorrectness of the bills withhold any portion of the bills.

#### 13. GENERAL

The other conditions of supply in this agreement are also subject to any revision that may be decided by the Licensee as per the directions of the Commission from time to time.

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<sup>1</sup>Substituted for the expression "previous" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>2</sup>Inserted as per Commission's Notification No. TNERC /DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

<sup>3</sup>The words "provisions" omitted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008).

Description of the Premises at which Supply is to be given

- <sup>1</sup>[ (a) District.  
(b) Taluk.  
(c) Town/Village  
(d) Door No./Survey No./ Street  
(e) Street name /area

#### (2) Supply Details

- (a) Purpose of Supply  
(b) Single or Three phase.  
(c) Voltage  
(d) Tariff

#### (3) Connected Load details ... KVA/ KW/HP Maximum connected load required by the consumer.]

.....  
In witness thereof..... the Engineer acting for and on behalf of the Distribution Licensee  
and ..... (consumer) have hereunto set their hands and seals the  
day, month and year first above

written.

<sup>2</sup>[\*\*\*\*\*]

<sup>2</sup>[Engineer]

Witness with address.

1.  
2.

Witness <sup>3</sup>[with address]

Signature of Consumer

<sup>4</sup>[\*\*\*]

1.

2.

---

<sup>1</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

District

Taluk

Town/Village

Door No./Survey No.

Supply Details

Purpose of supply

Single or three phase

Voltage

Tariff

Connected Load details

Maximum connected load required by the consumer KVA/KW/HP

<sup>2</sup>The word "Engineer" shown in the left hand corner at the bottom end of the agreement shall be shown in the right hand corner as per Commission's Notification No. TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008).

<sup>3</sup>Inserted as per Commission's Notification No. TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008).

<sup>4</sup>The words "Postal Address" omitted as per Commission's Notification No. TNERC/D/8-8 dated 8-2-2008 (w.e.f. 27-2-2008).

## FORM-8

## H.T. AGREEMENT FORM

[Refer clause 33(1)]

THIS AGREEMENT made this ..... day of ..... between.  
(Name of the Licensee) a body corporate for distribution of electricity in the area. called Licensee (which expression shall include its legal representatives and assigns) of the one part

AND.....  
..... Hereinafter called the 'consumer' (which expression shall include its successors, legal representatives and assigns) of the other part.

WHEREAS the consumer has requested the Licensee to supply electrical energy for a maximum demand of .....KVA at H.T./ E.H.T. for the purpose of light and power and the Licensee has agreed to afford such supply to the consumer in Ref. No.....on

the terms and conditions of the Distribution Code, Supply Code and Grid Code wherever applicable and those hereinafter contained and whereas the consumer availed the supply on .....

WHEREAS an additional load of .....

KVA was sanctioned to the consumer in Ref. No..... totaling in all to a Maximum demand of ..... KVA.

WHEREAS the consumer has on ..... given an undertaking to execute an agreement with the Licensee. Now it is hereby declared and agreed as follows:

#### 1. Load Maximum Demand

Subject to the provisions hereinafter contained, the Licensee shall supply and the consumer shall take from the Licensee electrical energy for a maximum demand not exceeding ..... KVA which shall be its contracted demand for its exclusive use for the purpose above mentioned at the premises of its Factory/ Mills, at.....

The connected load shall be ..... KVA / KW / HP ..... The consumer shall not effect any change in the maximum demand or connected load.

#### 2. Date of coming into force of the agreement

The Consumer shall begin to take electrical energy from the Licensee subject to the conditions of this agreement within three months from the date on which intimation is sent in writing to the consumer by the Licensee that supply of electrical energy is available. The provisions of this agreement shall be deemed to come into force from the date of commencement of supply of energy or the date of issue of first three month's notice of availability of supply whichever is earlier. <sup>1</sup>[If the consumer fails to avail the supply within 3 months, a further three months extension will be granted by the Licensee, after collecting the monthly minimum for the extended period in advance.

If the intending consumer fails to avail the supply, within the notice period or within the extended period granted thereof, the application will be treated as cancelled and the agreement will be terminated forfeiting all the amount paid by the consumer except meter security deposit as per the provisions of the Distribution Code ]

#### 3. Resale of Energy

The consumer shall not sell the electrical energy obtained under this agreement without the sanction in writing of the Licensee.

#### 4. To comply with requirements of Act and Terms and Conditions of Distribution Code and Supply Code

The consumer hereby undertakes to comply with all the requirements of the applicable Acts, Regulations etc, and Grid code, Distribution code and Supply Code and of any amendments, modifications or reenactment thereof or of any other enactment to be passed in relation to supply made under this agreement from time to time and the rules, regulations or orders etc. made there under from time to time, provisions of the Tariffs, Scale of Miscellaneous and other charges and the terms and conditions of supply prescribed from time to time, and the consumer hereby agrees not to dispute their applicability to this agreement.

#### 5. Design and Maintenance of equipment of consumer

All transformers switchgear and other electrical equipment belonging to the consumer and directly connected to the feeders or lines of the Licensee shall be of suitable Design and be maintained to the reasonable satisfaction of the Engineer/ ..... The ratings of the fuses and setting of the relays on the consumer's control gear as well as the rupturing capacities

of the consumer's circuit breakers, if any, shall be subject to the approval of the said Engineer.

6. Obligation of consumer to pay all charges levied by Licensee

From the date this agreement comes into force the consumer shall be bound by and shall pay the Licensee, maximum demand charges, energy charges, surcharges, meter rents and other charges, if any, in accordance with the tariffs applicable and the terms and conditions of supply notified from time to time for the appropriate class of consumers to <sup>1</sup>[which such consumer belongs].

7. Licensee's right to vary terms of agreement

The consumer agrees that the Licensee shall have the right to vary, from time to time, tariffs, general and miscellaneous charges and the terms and conditions of supply under the directions / regulations or by special or general proceedings of Tamil Nadu Electricity Regulatory Commission. The consumer, in particular, agrees that the Licensee shall have the right to enhance the rates etc. chargeable for supply of electricity according to exigencies again with the approval of Tamil Nadu Electricity Regulatory Commission. It is also open to Licensee to restrict or impose power cuts totally or partially at any time as it deems fit.

8. Minimum Monthly Charges

The consumer agrees to pay minimum charges every month as prescribed in the tariff and supply code even if no electricity is consumed for any reasons whatsoever, and also if the charges for electricity actually consumed are less than the minimum charges. The minimum shall be payable even if electricity is not consumed because of disconnection of supply by the Licensee due to non-payment of electricity charges, pilferage or other mal-practices or for any other valid reason.

9. Surcharge

The tariffs charged by the Licensee are subject to any surcharge that may be levied by the Licensee from time to time as per approval of the Commission.

10. Period of Agreement

This agreement shall remain in force till it is terminated by either party as provided in Distribution code and Supply code.

IN WITNESS WHEREOF Thiru ..... Engineer, ..... acting for and on behalf of the Licensee and Thiru ..... for and on behalf of the consumer have hereunto set their signatures, and the common seal of M/s..... has hereunto been affixed.

<sup>2</sup>[Signed in the presence of ENGINEER

1

2

The common seal of

M/s.

Witnesses with Address:

1

2

PARTNER  
MANAGING DIRECTOR

<sup>1</sup>Substituted for the expression "which it belongs" as per Commission's Notification No.TNERC/DC/8-8 dated 8.2.2008 (w.e.f.27.2.2008)

<sup>2</sup>Substituted as per Commission's Notification No. TNERC/DC/8-8 dated 8.2.2008 (w.e.f.27.2.2008) which before substitution stood as under :

ENGINEER  
PARTNER/MANAGING  
DIRECTOR

Signed by the above name in the presence of

1.

2.

The common seal of M/s.  
hereunto

was

affixed in the presence of

- 1.
- 2.

#### ABBREVIATIONS

- 1 AC - Alternating Current
- 2 CERC - Central Electricity Regulatory Commission
- 3 CMDA - Chennai Metropolitan Development Authority
- 4 DC - Direct Current
- 5 FMB - Field Measurement Book
- 6 HP - Horse Power
- 7 HV - High Voltage
- 8 HZ - Hertz
- 9 KVA - Kilo Volts Ampere
- 10 KVP - Kilo Volt Peak
- 11 KW - Kilo Watt
- 12 LV - Low Voltage
- 13 MCOV - Maximum Continuous Operating Voltage
- 14 MV - Medium Voltage
- 15 MVA - Mega Volt Ampere
- 16 MVAR - Mega Volt Ampere Reactive
- 17 MW - Mega Watt
- 18 OCB - Oil Circuit Breaker
- 19 OMCB - Oil Minimum Circuit Breaker
- 20 OH - Overhead
- 21 R & C - Restriction and Control
- 22 RCC - Reinforced Cement Concrete
- 23 R & D - Research and Development
- 24 SC - Service Connection
- 25 SLDC - State Load Dispatch Centre
- 26 SS - Sub-station
- 27 UG - Underground
- 28 UF - Under Frequency
- 29 UPS - Uninterrupted Power Supply
- 30 VAR - Volt Ampere Reactive

# **Tamil Nadu Electricity Distribution Standards of Performance Regulations**

## **Principal Regulations Amendments:-**

- (1) Notification No.TNERC/SPR/9/1, dated 21.07.2004
- (2) Notification No.TNERC/SPR/9/1-4, dated 25.07.2006
- (3) Notification No.TNERC/SPR/9/1-6, dated 02.05.2007
- (4) Notification No.TNERC/SPR/9/1-8, dated 3.12.2007
- (5) Notification No.TNERC/SPR/9/1-10, dated 14.08.2013

In exercise of the power conferred on it by section 181 read with section 57 of The Electricity Act, 2003 (Act No: 36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission makes the following Regulations namely:-

## **CHAPTER I**

### **Preliminary**

#### **1. Short Title and Commencement**

- (i) These regulations may be called the “**Tamil Nadu Electricity Regulatory Commission - Tamil Nadu Electricity Distribution Standards of Performance Regulations 2004**”
- (ii) All these Regulations except provisions under regulations 21 and 22 shall come into force from the date of their publication in the Tamil Nadu Government gazette.
- (iii) The provisions under regulations 21 and 22 shall come into force after one year from the date of their publication in the Tamil Nadu Government gazette.

## **2. Definitions**

In these Regulations unless the context otherwise requires: -

- (i) **“Act”** means the Electricity Act 2003 (Act 36 of 2003)
- (ii) **“Commission”** means the Tamil Nadu Electricity Regulatory Commission.
- (iii) Words and expressions used in these Regulations but not defined either in these Regulations or in the Act shall have the same meanings as understood in the engineering and commercial circles.

## **CHAPTER 2**

### **Distribution Standards Of Performance**

#### **3. Quality of Service**

Quality of service means providing uninterrupted, reliable electric supply at stipulated voltage and frequency, which will be the end result of its planning, designing of network, operation and service management to ensure stability in supply and prompt compliance of consumers' complaints on metering and billing. The supply with frequent power failure, fuse of calls, voltage fluctuations will not ensure continuity in supply. These factors determine the degree of satisfaction of the consumers.

#### **4. Duties of the Licensees to Supply on Request**

Section 43 of the Act deals with duty to supply and read as below:

"43. (1) Every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply:

Provided that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or commissioning or within such period as may be specified by the Appropriate Commission.



Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.

(2) It shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1):

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of electricity for any premises having a separate supply unless he has agreed with the licensee to pay to him such price as determined by the Appropriate Commission.

(3) If a distribution licensee fails to supply the electricity within the period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default.”

The Licensees shall endeavor to give supply within a week but not exceeding 30 days wherever no extension or improvement works are involved in giving supply.

The Licensees shall observe the following time schedule for supply of electricity involving extension of distribution lines, etc.

<sup>1</sup>[ Table I :

Category (1)	Time Schedule for LT (2)
(a) Involving no extension or Improvement work	Preferably within a week but not exceeding 30 days
(b) Involving Extension and Improvement without <sup>2</sup> [Distribution Transformers]	60 days
(c) Involving Extension and Improvement with <sup>2</sup> [Distribution Transformers]	90 days

Table II :

Category (1)	Time Schedule for HT / EHT (2)	
	HT	EHT
(a) Involving Extension & Improvement	60 days	150 days
(b) Involving the enhancement of Power Transformer/Addition of Power Transformers	120 days	180 days
(c) Involving the Commissioning of new substation	180 days	270 days

(I) The Licensee shall issue advice slip/notice/letter indicating the prescribed charges payable with proper acknowledgement.

(II) The Consumer shall remit the above charges within the stipulated period but not exceeding fifteen Days from the date of receipt of advice slip/notice/letter.

In exceptional / deserving cases, permission may be granted by the respective Chief Engineer and Superintending Engineer or the person designated for this purpose by the Licensee for remittance of charges by the Consumer beyond the prescribed fifteen Days for HT/EHT and LT services respectively.

(IV) The time taken by the Consumer to remit the prescribed charges from the date of receipt of demand notice will not be covered in the above time schedule.

(V) The time schedule is also applicable for additional loads.]<sup>1</sup>

[+++++  
 1 Substituted as per Commission's Notification No.TNERC/SPR/9/1-4, dated 25.7.2006 (w.e.f 16.8.2006) which before substitution as under :

Category	Time Schedule
a) Extension and improvement without transformers:	60 days
b) Extension and improvement with transformers.	90 days

**Note: This time schedule is also applicable for additional loads.**

<sup>2</sup>Substituted for the expression "**Power Transformers**" as per Commission's Notification No. TNERC/SPR/9/1-6 dated 2.5.2007 (w.e.f.23.5.2007)

## 5. Exceptions on Duty to Supply for Agricultural and Hut Services:

The provision under section 43 of the Act is however not applicable in the case of agricultural and hut services, which shall be governed by the directives issued by the Commission from time to time, on the basis of the guidance on this matter by the National Electricity Policy (as stipulated in section 86(4)) of the Act and the policy directions in public interest by the State Government (as stipulated in section 108 of the Act).

## 6. Temporary Supply

The intending consumers may require temporary services for construction of residential houses, complexes, commercial complexes, industrial premises and also for illumination during festivals, etc. Such temporary services shall be effected as per the time schedule specified for the new and additional loads.

The Licensees shall refund the balance deposit if any within 3 months from the date of disconnection of service after temporary supply period is over.

## 7. Shifting of Service Connection / Deviation of Lines and Shifting of Equipments

Wherever the consumers request for shifting the service connection as specified in the Supply Code, or for deviation of the existing lines at their cost the following time schedule shall be observed for completing these works after getting the expenses as specified in the Distribution Code / Supply Code.

- |                                       |                        |
|---------------------------------------|------------------------|
| 1. Shifting of meter / service        | <sup>1</sup> [25] days |
| 2. Shifting of LT / HT lines          | 60 days                |
| 3. Shifting of Transformer structures | 90 days                |

The time schedule given above includes the time required for preparation of estimates, collection of deposits, etc.

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<sup>1</sup>Substituted for the expression “15” as per Commission’s Notification No. **TNERC/SPR/9/1-6 dated 2.5.2007 (w.e.f. 23.5.2007)**

The accounts should be settled within three months from the date of completion of shifting work by recovery of excess expenditure or refunding the balance deposit.

<sup>1</sup>[Note: The time taken by the Consumer to remit the prescribed charges from the date of receipt of demand notice will not be covered in the above time schedule.

In exceptional / deserving cases, permission may be granted by the respective Chief Engineer and Superintending Engineer (or the person designated for this purpose by the Licensee) for remittance of charges by the Consumer beyond the prescribed fifteen Days for HT/EHT and LT services respectively ]

## **8. Transfer of Service Connection**

The transfer of service connection shall be effected within 7 days from the date of receipt of complete application.

## **9. Change of Tariff**

A consumer can utilize a service connection given to him for a purpose different from the purpose for which he originally obtained the service connection, only if the same tariff is applicable to the new purpose also. If a different tariff is applicable to the new purpose, the consumer shall apply to the Licensee before changing the purpose and a revised Test Report will be taken indicating the change in the tariff.

The Licensee shall effect change of tariff within seven days from the date of receipt of application from the consumer.

However no consumer shall be permitted to change the tariff of the service connection from any Low Tension Tariff (other than agriculture) to Low Tension Tariff for agriculture.

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006 (w.e.f. 16.8.2006)**

## **<sup>1</sup>[10. Complaints in Billing, etc.**

(i) Any complaints in billing received prior to the due date for payment shall be resolved before the next billing along with refund / adjustments, if any. However, the complaints in respect of arithmetic error if any received three days prior to the due date for payment shall be set right within the due date for payment.

(ii) The consumer shall not, on the plea of incorrectness, withhold any portion of the amount billed.】

## **11. Replacement of Meter**

Wherever the Licensees receive complaints or the Licensee found during inspection / meter reading, that the meter in a service connection is not correct or defective or burnt, the Licensee shall replace the meter after collecting the charges as applicable and within 30 days.

## **12. Interruptions and Restoration of Supply**

(I). The Licensee may, for reasons of testing or forced outage or maintenance, temporarily discontinue the supply for such period as may be necessary, provided that in case of planned shut down for improvement / periodical maintenance of distribution network, the Licensee will, wherever possible give advance notice in this behalf and notify through local newspapers in advance.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006** (w.e.f. **16.8.2006**) which before substitution stood as under:

### **10. Complaints in Billing, etc.**

***Wherever the Licensees receive complaints from consumers that there is error in billing, etc. the Licensee shall resolve such disputes regarding quantum of commercial transaction involved within the due date for payment, provided the complaint is lodged three days prior to the due date for payment. Such of those complaints received during the last three days period shall be resolved before the next billing along with refunds / adjustments if any. However, the consumer shall not, on the plea of incorrectness of the charges, withhold any portion of the charges***

(II) In case of interruptions to individual or a group of consumers due to breakdown, the Licensee shall restore supply as per the time schedule furnished below:

<sup>1</sup> [ Table

Interruption Due To  (1)	Power Restoration Time			
	Corporation	Urban Municipalities	Rural	Hill Area
	(2)			
HT Supply failure	1 hour	3 hours	6 hours	12 hours
Fault in Transformer Structure or LT Line or Pillar Box	2 hours	4 hours	6 hours	12 hours
Fault of Distribution Transformer	24 hours	48 hours	48 hours	48 hours
Individual Service Connection fault	3 hours	9 hours	12 hours	24 hours

]

Failure / Interruption in Corporation limits and certain special areas declared by the Commission from time to time shall be attended to round the clock within the time limit specified for urban areas. Complaints of failure/ interruption at consumer premises in rural areas and urban areas other than corporation limits shall be attended to between 8.00 AM and 6.00 PM. Individual complaints of consumers received during night hours i.e., from 6.00 PM to 8.00 AM shall be considered to have been received at the start of working hours on the next day and attended to within the time limit as specified above. The restoration time specified in respect of individual service connection faults in rural areas shall exclude the time period of 6.00 PM to 8.00 AM. However the complaints from essential services like Water supply, Hospitals, and other important Govt. services shall be attended to immediately, round the clock

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<sup>1</sup>Substituted as per Commission's Notification **dated 25.07.2006 w.e.f.16.8.2006)**  
which before substitution stood as under:

<b>Interruption due to</b>	<b>Power restoration time</b>		
	<b>Urban</b>		<b>Rural</b>
<b>High Tension supply failure</b>	<b>1 hour</b>		<b>6 hours</b>
<b>Fault in pillar boxes or transformer structures</b>	<b>2 hours</b>		<b>4 hours</b>
<b>Failure of distribution transformer</b>	<b>24 hours</b>		<b>48 hours</b>
<b>Individual service connection faults</b>	<b>3 hours</b>		<b>9 hours</b>

(III) In case of interruptions, it is the responsibility of the affected consumer to inform the same to the Licensee's local office or nearest fuse off call center by Telephone / written communication in person, etc.

Provided that in case failure / break down due to natural calamities like cyclone, <sup>1</sup>[land slides in hill areas,] etc. the Licensee shall take every action to restore supply within the least possible time.

**Note:** The Licensee shall arrange to keep the consumers informed of the progress of rectification of faults.

(IV) The Licensee shall maintain un-interrupted supply of power to Railways and in case of any interruption restore the supply on top priority.

(V) In case of interruption due to line fault/ failure of transformer/ equipment, the Licensee shall inform the complainant (subject to availability of communication at both ends) within one hour from receipt of complaint, the reasons for interruption and the likely time by which the power supply will be restored.

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<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006 (w.e.f. 16.8.2006)**

### **13. Quality of Supply**

Quality of supply means providing <sup>1</sup>[uninterrupted and reliable] electric supply at stipulated voltage and frequency (within the permissible limits) without sags or spikes to the consumer. When a consumer makes a complaint regarding quality of power supply, an authorized representative of the Licensee shall visit the

consumer's premises <sup>2</sup>[\*\*\*] and convey in writing within 10 days, the action proposed to be taken for attending to the complaint and the time by which it would be attended.

#### **14. Permissible Limits for Voltage and Frequency Variations**

The limits of permissible variations in voltages at various levels have to be fixed on the basis of existing network, spare capacity etc., and can always be improved with system improvements, capacity generation and various other related factors. Hence, even though the ideal situations would be different, the bandwidth of variations has to reflect the actual condition and has to be specified after periodical reviews. Accordingly, the Commission from time to time will order the permissible limits for voltage variations.

The frequency variations shall be governed by the National / State Grid Code and hence not specified under this regulation.

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<sup>1</sup>Substituted for the expression "**uninterrupted, reliable and quality**" as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006 (w.e.f.16.8.2006)**

<sup>2\*\*\*</sup> Omitted as per Commission's Notification No. **TNERC/SPR/9/1-6 dated 2.5.2007 (w.e.f. 23.5.2007)** which before omission stood as under:  
**"within 48 hours of receipt of complaint".**

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<sup>1</sup>[15. Voltage Complaints



Provided that when the grid supply voltage is maintained at its permissible limits the Distribution Licensee shall ensure that voltage variation (for a minimum duration of at least seven continuous days) at the point of commencement of supply to consumer shall not vary from the declared voltage as below:

Type of supply and declared voltage (1)	Variation maximum limit % (2)	Variation minimum limit % (3)
240 Volts single phase 50 Hz AC supply	6% of declared voltage	10% of declared voltage
415 Volts three phase 50 Hz AC supply	6% of declared voltage	10% of declared voltage
11000/22000 Volts three phase 50 Hz AC supply	6% of declared voltage	10% of declared voltage

On receipt of a voltage fluctuation complaint, the Licensee shall verify if the voltage fluctuation is exceeding the limits specified in regulation 14 and if confirmed, the Licensee shall undertake rectification works as per the following time schedule:

S.No	Nature of Complaint	Time Schedule
1.	Where no expansion or enhancement of network is involved	48 hours
2.	Where up-gradation of LT network, transformers or installation of capacitors is involved	Within 60 days
3.	Involving upgradation of HT network	Within 120 days

1

1  
1'

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/SPR/9/1-10 dated 14.08.2007** (w.e.f. **23-10-2013**)

## **16. Failure of Equipments**

The incidents such as failure of equipments, viz. failure of power transformer, breakers, measuring transformers, lightning arresters and capacitor banks would affect the distribution system causing aberrations, deviations in system voltage and frequency levels. The Licensees shall maintain the equipments as per the schedule of maintenance so as to minimise the failure rate and thereby increase the level of performance.

## <sup>1</sup>[17. Responding to Consumer's Complaint

If any consumer makes a complaint in writing to the Territorial Engineer of the concerned licensee then, the Territorial Engineer concerned shall reply to the consumer within ten days after receipt of the letter. In case the Territorial Engineer requires to visit the site or consult any other officer to give a comprehensive reply, the Territorial Engineer shall explain to the consumer as to why a substantive response cannot be sent immediately and intimate the name address and telephone number of the Officer dealing with the complaint. The Territorial Engineer shall also ensure that a substantive response is sent to the consumer within twenty days of receiving the complaint letter]

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006** (w.e.f. **16.8.2006**) which before substitution stood as under:

## **17. Responding to Consumer's Complaint**

***If any consumer makes a complaint in writing, the Licensee shall reply to the consumer within 10 days after receipt of the letter. In case the Licensee requires to visit the site or consult any other officer to give a comprehensive reply, the Licensee shall explain to the consumer as to why a substantive response cannot be sent immediately and***

*intimate the name address and telephone number of the Licensee's employee dealing with the complaint.*

*The Licensee shall also ensure that a substantive response is sent to the consumer within 20 days of receiving the complaint letter.*

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## **18. Making and Keeping Appointments**

Wherever the Licensee make an appointment in writing to visit a consumer on a particular day, the Licensee shall keep such appointment. When the appointment has to be cancelled the Licensee shall give a 24 hours notice of its cancellation to the consumer.

## **19. Grievance Handling**

The Licensee shall make arrangement to receive complaints from consumers at appointed date and time at appropriate offices. This information shall be suitably made known to the consumers. The Licensee's representative shall receive the complaints on the appointed dates and time.

Wherever the Licensee is unable to comply with the above requirement, the Licensee shall inform the consumers, to the extent feasible, in advance giving reasons for the inability and the time when it will be complied with. <sup>1</sup>[Due to failure to inform the cancellation, if a consumer turns up with a complaint on the appointed day and registers his presence, he is eligible for compensation at the specified rate].

## **20. Handling of Complaints on Non-compliance**

The Licensee is required to maintain standards of performance for supply of Electricity to all consumers in a manner prescribed. The time limit prescribed in these standards refer to the maximum time required to be taken to perform different activities of consumer service. It shall be the endeavour of the Licensee to provide best possible service well within time limits specified in these regulations.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SPR/9/1-6 dated 2.5.2007** (w.e.f.23.5.2007) which before substitution stood as under:

***In spite the above or due to failure to inform the cancellation, if a consumer turns up with a complaint on the appointed day and registers his presence, he is eligible for compensation at the specified rate***

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- (i) The Licensee shall register every complaint made by a consumer whether orally or in writing regarding failure/meter board /service lines, payment of bills and other services relating to supply of power, in the registers exclusively maintained under the following categories :

Supply related complaints register

Meter related complaints register

Billing and payment related complaints register

- (ii) A unique number shall be allotted to each complaint and conveyed to the consumer. In case of complaints which are supply related and restoration of supply, authorized persons of Licensee shall prepare an acknowledgment slip in duplicate after attending to the complaint and get the consumer signature. Where the consumer refuses to sign the acknowledgment slip, the fact shall be recorded and a copy handed over to the consumer. As a measure of precaution and proof of having visited the consumer's service location, the Licensee's employee shall also record the meter reading of the respective service and any one of the adjoining service connection in the acknowledgement slip. The designated officer shall entertain any complaints from the consumer for non-compliance, only if the complaint is accompanied with a copy of acknowledgment slip. The Licensee shall ensure redressal of all

complaints promptly

- (iii) Complaints in respect of supply of electricity, its metering, billing and payment thereof, shall be made at the offices specified by the Licensee. The Licensee shall publish through public notices, local News Paper, TV, Radio, printing in the bills and receipts etc., the name of the office(s) its address(s), telephone number where the consumer can lodge complaints. The phone services for recording complaints when outsourced by the Licensee, the phone numbers of such call centers shall be incorporated in electricity bills and also displayed at the concerned offices of the Licensee.
- (iv) The office where a complaint is registered shall dispose it and if any instruction/ sanction is to be obtained from higher authority, it shall be obtained by the complaint registering office. The higher authority may also directly communicate the decision. The complainant should not be required to approach such higher authority. Similarly in case an outsourced phone service is opted for, the complaint shall be forwarded to the concerned officer by such center itself and the Licensee shall ensure proper compliance by the outsourced service, including posting of its officers at such centers to streamline responses.
- (v) Complaints against non-registration of complaints and failure to perform within the time limits and/or to meet the performance targets, as specified in this regulation, shall be made to the concerned officers of the Licensee. The Licensee shall nominate the officers to whom the consumers can lodge their complaints initially and also the next level higher officer.
- (vi) In case a consumer is not satisfied with the disposal of the complaint even after taking the issue at the higher level, the consumer can approach the consumer grievance redressal forum

## 21. Compensation

The Licensee is expected to achieve the performance prescribed. If a Licensee fails to meet the standards specified for various service areas, the affected consumer is entitled for compensation by the Licensees as stipulated in the Act. <sup>1</sup>[The compensation payable is set out in the table below, namely:-]

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<sup>1</sup>Substituted for the expression “**The compensation payables are as follows:**” as per Commission’s Notification No. **TNERC/SPR/9/1-8 dated 3.12.2007 (w.e.f. 19.12.2007)**

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<sup>1</sup>[Table

S.No	Events		Compensation payable
1	Duty to give supply on request		Rs.100/- per day of delay subject to a maximum of Rs. 1000/-
	a)	New Service connection	
	b)	Additional Load	
	c)	Temporary Supply	
	d)	Shifting of service connection	
	e)	Transfer of service connection	
	f)	Change of tariff	
2	Complaints in billing		Rs.150/- for non-reply within the period.
3	Replacement of meters		Rs.100/- for each day of delay subject to a maximum of Rs.1000/-
4	Interruption of supply		Rs.50/- for each six hours (or part thereof) of delay in restoration of supply subject to a
5	Voltage fluctuations and complaints		Rs.250/- for failure to visit or convey findings within the stipulated period
<sup>1</sup> [5A	<sup>1</sup> [Rectification of Voltage Complaints		
	(a)	Where no expansion or enhancement of network is involved	<sup>1</sup> [Rs. 50/- for each day of delay subject to a maximum of Rs. 1000/-
	(b)	Where upgradation of LT network, transformers or installation of capacitors is involved	Rs. 50/- for each day of delay subject to a maximum of Rs. 1000/-
	(c)	Involving upgradation of HT network] <sup>1</sup>	Rs. 50/- for each day of delay subject to a maximum of Rs. 1000/-] <sup>1</sup>

6	Responding to consumer's	Rs.25/- for each day of delay subject to a maximum of Rs. 250/-
7	Making and keeping appointments	Rs.50/- for failure of keeping appointment
8	Grievance handling	Rs.50/- for failure of grievance handling
<sup>2</sup> [9]	<sup>2</sup> [Refund of deposit in respect of temporary supply after the expiry of the temporary supply period and refund of balance deposit within the period as stipulated in regulation 6 of Distribution Standards of Performance Regulations or in the regulation 17(6) of the Tamil Nadu Electricity Supply Code or in the regulation 33(5) of the Tamil Nadu Electricity Distribution Code]	<sup>2</sup> [Rs.100/- per week or part thereof of delay in addition to the interest at the rate specified by the commission till the date of refund]

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<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SPR/9/1-10 dated 14.08.2013 (w.e.f. 23.10.2013)**

<sup>2</sup> Inserted as per Commission's Notification No. **TNERC/SPR/9/1-8 dated 3.12.2007 (w.e.f. 19.12.2007)**

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## 22. Procedure for Payment of Compensation

The claim for compensation shall be dealt with in the following manner

**I. Automatic-** This mode of payment requires the Licensee to pay the compensation amount to the affected consumer automatically, following the non-compliance to a particular standard in the next billing cycle through credit entry in the consumption bill

**II. Upon claim:** An aggrieved consumer has the right to claim the compensation for non-compliance of the standards if the Licensee fails to pay the compensation in the next billing period by representing to the designated employee of the Licensee.

## 23. Level of Performance

The standards specified in previous clauses set the levels of

performances, which the Licensees are required to achieve in specific service areas. In order to assess the overall performance level of the Licensee, the following targeted performances in individual areas are specified:

Sl. No.	Service area covered under this standard	Targeted performance within the stipulated period
1	Restoration of supply during interruption due to HT break down, fault in pillar box or transformer structure and fault in individual service connections	Licensee shall achieve 75% of the standards specified. Out of the balance, 20% shall be achieved within 24 hours from the time of complaint.
2	Replacement of failed Distribution Transformers	95%
3	Giving new supply / additional load	95%
4	Refund of balance deposit in temporary supply	90%
5	Shifting of service	95%
6	Change of Tariff	95%
7	Transfer of service connection	95%
8	Complaints in billing	95%
9	Replacement of meters	95%
10	Voltage fluctuation and voltage complaints	90%
11	Responding to consumer complaints	90%
12	Making and keeping appointments	95%
13	Grievances handling	100%

## 24. Information on Standard of Performance

The Licensees shall furnish the information on the level of performances achieved, number of cases in which compensations were paid and the aggregate amount of compensation paid, once in six months in the format prescribed as per sub-section (1) of section 59 of the Act, so as to facilitate the Commission to approve the same for publication by the Licensee as per sub-section (2) of section 59 of the Act.

## <sup>1</sup>[25. Service Reliability

The following reliability/outage indices are prescribed by the Institute of



Electrical and Electronics Engineers (IEEE) Standard 1366 of 1998. The Licensee shall compute and report the value of these indices as per the formula and methodology specified below:

- (a) System Average Interruption Frequency Index (SAIFI)
- (b) System Average Interruption Duration Index (SAIDI)

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<sup>1</sup>*Substituted as per Commission's Notification No. **TNERC/SPR/9/1-4** dated **25.07.2006** (w.e.f.**16.8.2006**) which before substitution stood as under :*

#### **25. Service Reliability**

*Reliability of the distribution system operated by the distribution Licensee Reliability standards shall be judged by two indices namely Consumer's average interruption frequency index (CAIFI), Consumer's average interruption duration index (CAIDI)*

*Each Distribution Licensee shall formulate a suitable model on the basis of his geographical spread of the network to reveal the reality of the situation on the above two indices and set standards of performance . The model shall be got approved by the Commission and can be distinct for each Licensee*

#### **<sup>1</sup>Method to compute Distribution System Reliability Indices:**

The Indices shall be computed for the Distribution Licensee as a whole by stacking, for each month, all the 11KV/22KV feeders in the supply area, excluding those serving predominantly agricultural loads, and then aggregating the number and duration of all interruptions in that month for each feeder. The Indices would then be computed using the following formulae:

$$1. SAIFI = \sum^n (A_i * N_i) \text{ Where,}$$

$$\frac{\sum_{i=1}^n N_i}{N_t}$$

A<sub>i</sub> = Total number of sustained interruptions (each longer than 5 minutes) on i<sup>th</sup> feeder for the month

N<sub>i</sub> = Connected load of i<sup>th</sup> feeder affected due to each interruption

N<sub>t</sub> = Total connected load at 11/22 KV in the Distribution Licensee's supply area

n = number of 11/22 KV feeders in the licensed area of supply (excluding those serving predominantly agricultural loads)]

$$2. \text{ SAIDI} = \frac{\sum_{i=1}^n (B_i * N_i)}{N_t} \quad \text{Where,}$$

B<sub>i</sub> = Total duration of all sustained interruptions on i<sup>th</sup> feeder for the month.

**Note :** The feeders must be segregated into rural and urban and the value of the indices must be reported separately for each month.

(i) The Licensee shall compute the value of these indices separately for feeders serving predominantly agricultural loads. The methodology for computation of indices shall remain the same as in the case of other feeders.

(ii) Based on the information provided by the Licensees, the Commission would notify the target levels for these indices annually.】

\*\*\*\*\*  
<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006** (w.e.f.16.8.2006) which before substitution stood as under :

## **25. Service Reliability**

**Reliability of the distribution system operated by the distribution Licensee Reliability standards shall be judged by two indices namely Consumer's average interruption frequency index (CAIFI), Consumer's average interruption duration index (CAIDI)**

**Each Distribution Licensee shall formulate a suitable model on the basis of his geographical spread of the network to reveal the reality of the situation on the above two indices and set standards of performance . The model shall be got approved by the Commission and can be distinct for each Licensee**

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## **26. Regulation to be read with Supply Code, Distribution Code, etc.,**

- (1) As these Regulations are intended to enforce quality, continuity and reliability of service, these Regulations shall be read along with Supply

code, Distribution code, Grid code and other relevant provisions of the Act, Rules and Regulations made there under pertaining to supply and consumption of Electricity.

- (2) Where any of the provisions in these Regulations is found to be inconsistent with those of the Act, Rules or Regulations made there under, notwithstanding such inconsistency, the remaining provisions in these regulations shall remain operative.
- (3) Where any dispute arises as to the applications or interpretations of any provisions of these regulations, it shall be referred to the Commission whose decision shall be final and binding on the parties concerned.

## 27. Exemption

- <sup>1</sup>[(I) The standards of performance specified in this regulation shall remain suspended during Force-majeure conditions or cause beyond the control of the Licensee]

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006** (w.e.f. **16.8.2006**) which before substitution stood as under:

- i. **The Commission may relax adherence by the Licensee to any specific standard of performance during force majeure condition such as War, Mutiny, Civil commotion, riot, Flood, Cyclone, Storm, Lightning, Earth Quake, Grid Failure and Strike / Curfew, Lock out, Fire affecting the Licensee's installations and activities and also under wind or rainy conditions where safety of electrical equipment and personnel is not possible**

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<sup>1</sup>[(II) “Non-compliance of the Standards contained in this regulation by the licensee shall not be treated as violation and the Distribution Licensee shall not be required to pay any compensation to affected consumers if such violation is caused due to grid failure, or a fault on the Transmission Licensee’s network, or on account of the instructions given by the SLDC/SSLDC, over which the Distribution Licensee has no reasonable control”. ]

<sup>2</sup>[(III) Commission under specific circumstances may relax provisions of Regulations in general or in specific cases for the period specified in these Regulations. ]

## **28. Power to Remove Difficulties**

- I. If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, direct the Licensee to do anything not being inconsistent with the provisions of the Act, which appears to it to be necessary or expedient for the purpose of removing the difficulties.
- II. The Licensee may make an application to the Commission and seek suitable orders to remove any difficulty that may arise in implementation of these Regulations.

## **29. Savings.**

Nothing contained in these Regulations shall affect the rights and privileges of the consumers under any other law including the Consumer Protection Act 1986 (Act 68 of 1986)

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<sup>1</sup>Inserted as per Commission’s Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006 (w.e.f. 16.8.2006)**

<sup>2</sup>Substituted for the expression (II) ie. renumbered as per Commission’s Notification No. **TNERC/SPR/9/1-4 dated 25.07.2006 (w.e.f. 16.8.2006) which before substitution stood as clause(III).**

## Annexure

### Format for Furnishing Information on Achieving Level of Performance and Compensation Paid

Sl. No.	Service area covered under this standard	Targeted performance	Performance achieved	Aggregate Compensation paid & nr of consumers
1	Restoration of supply during interruption due to HT break down, fault in pillar box or transformer structure and fault in individual service connections	Licensee shall Achieve 75% of the standards specified. Out of the balance, 20% shall be achieved within 24 hours from the time of complaint.		
2	Replacement of failed distribution transformer	95%		
3	Giving supply/ additional load	95%		
4	Refund of balance deposit in temporary supply	90%		
5	Shifting of service	90%		
6	Change of Tariff	95%		
7	Transfer of service connection	95%		
8	Complaints in billing	95%		
9	Replacement of meters	95%		
10	Voltage fluctuation and voltage complaints	90%		
11	Responding to consumer complaints	90%		
12	Making and keeping appointments	95%		
13	Grievances handling	100%		

## FEES AND FINES REGULATIONS, 2004

### Principal Regulations and Amendments :

- (1) Tamil Nadu Electricity Fees and Fines Regulations, 2004  
(Notification No.TNERC/F&F/4/2, dated 08-01-2004) (Gazette Publication dated 18-02-2004)
- (2) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2006  
(Notification No.TNERC/F&F/4/2-1, dated 16-11-2006) (Gazette Publication dated 03-01-2007)
- (3) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2008 Notification  
No.TNERC/F&F/4/2-2, dated 11-06-2008) (Gazette Publication dated 25-06-2008)
- (4) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2008 (Notification  
No.TNERC/F&F/4/2-3, dated 17-06-2008) (Gazette Publication dated 23-07-2008)
- (5) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2009 (Notification No.TNERC/F&F/4/2-4,  
dated 11-05-2009) (Gazette Publication dated 03-06-2009)
- (6) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2011 (Notification No.TNERC/F&F/4/2-  
6, dated 4-02-2011) (Gazette Publication dated 16-02-2011)
- (8) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2011 (Notification No.TNERC/F&F/4/2-7,  
dated 27-06-2012) (Gazette Publication dated 18.7.2012)

In exercise of powers conferred on it by clause (g) of sub-section (1) of section 86 of the Electricity Act 2003 (Act 36 of 2003) and all powers enabling it in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following Regulations. These Regulations supersede "TAMIL NADU ELECTRICITY REGULATORY COMMISSION - FEES AND FINES REGULATIONS, 2002" published in notification No.TNERC/Regulations/F&F/4/1, dated 25-09-2002 in the Gazette dated October 9, 2002, of Government of Tamil Nadu.

1. (i) These Regulations may be called the Tamil Nadu Electricity Regulatory Commission Fees and Fines Regulations, 2004". Short title & commencement

(ii) They shall come into force on the date of their publication in the *Tamil Nadu Government Gazette*.

2. In these Regulations, the words or expressions shall bear the same meaning as in the Electricity Act 2003 or the other regulations published by the Commission. Definitions

3. (i) Every petition, application or grievance made to the Commission shall be made payment of the appropriate fees specified in these Regulations. Fees & Fines

(ii) The fees or the fines payable to the Commission as prescribed under these regulations or Conduct of Business Regulations shall normally be paid by means of bank draft or Banker's cheque, drawn in favour of the Secretary, Tamil Nadu Electricity Regulatory Commission, payable at Chennai. For amounts not exceeding Rs. 500, Secretary may accept cash payments. Licensees may be permitted to issue cheques, payable at Chennai.

(iii) The payments received as above by the Secretary of the Commission shall be deposited in a

Bank Account to be maintained by the Commission in such branches as the Commission may direct from time to time.

(iv) The Commission shall be entitled to add, amend, alter or waive the amounts of fees or fines payable as provided in these regulations by an order to be made in this regard.

4. For purposes of convenience and the knowledge of public, the petitions presented before the Commission shall be categorized as follows:

Categories of  
Petitions,  
Applications  
& etc..

- (i) Petitions for Licensing to be registered as TNERC - LP No....of .....
- (ii) Tariff petitions to be registered as TNERC - TP No....of .....
- (iii) Dispute Resolution Petition to be registered as TNERC - DRP No.....of ...
- (iv) Review Petition to be registered as TNERC- RP No...of....
- (v) Miscellaneous Petition to be registered as TNERC- MP No....of....

(vi) Consumer grievances about utility or general nature and not falling under Miscellaneous Petition – to be treated as normal office disposal.

5. The fees payable to State Load Dispatch Centre by the Generating Companies and Licensees engaged in Intra State Transmission of electricity as stipulated under sub-section (3) of section 32 of the Act shall be decided by the Commission from time to time.

Fees payable to  
State Load  
Despatch  
Centre

6. The fee structure for (a) determination of grid, bulk or retail tariff (b) transmission tariff and (c) petitions/ applications for approval of power purchase or procurement plan<sup>1</sup> and (d) Miscellaneous is furnished in the Table below :

Fees for tariff  
petitions  
including power  
purchase  
agreements &  
Miscellaneous

[TABLE]<sup>1</sup>

No.	Nature of Application / Petition	Fees
1.	<sup>3</sup> [Determination of Grid, Bulk or Retail Tariff	0.02% of the revenue receipts in the preceding year in case of an existing licensee or the expected revenue, receipts in the year for which the tariff is determined by the Commission in the case of a new licensee, as the case may be with a maximum limit of Rs.2.5 crores.] <sup>3</sup>

1. Substituted in Notification No.TNERC/F&F/4/2-2, dated 3.6.2008

2. Substituted in Notification No.TNERC/F&F/4/2-6, dated 4.2.2011

3. Substituted in Notification No. TNERC/ Regulations/F&F/4/2-8 dated 13-5-2014

No.	Nature of Application / Petition Fees	Fees
2.	Determination of Transmission Tariff	0.02% of the Revenue receipt in the preceding year in the case of an existing licensee or the expected revenue receipt in the year for which the tariff is to be determined by the Commission in case of new licensee, as the case may be, with a maximum limit of Rs.25 lakhs.
3.	Review of Tariff order as in (1) and (2) above for a	
	(a) Request by the original tariff petitioners themselves	2[5 % of the fees paid at the time of filing the original tariff petition.] <sup>2</sup>
	(b) Request by an association / group	3[Rs.15,000/-] <sup>3</sup>
	(c) Request by an individual consumer	4[Rs.1,000/-] <sup>4</sup>
<sup>1</sup> [3-a]	Determination of Capital cost of Projects	
	wherein the power purchase agreement has not been approved by the Commission	Rs.2000/- per MW or part thereof <sup>1</sup>
4.	<sup>2</sup> [Approval of agreement relating to power purchase or procurement process,-	
	(i) If the agreement is for a period of one year and above which relates to conventional fuel based plant	Rs.2,500/- per MW or part thereof
	(ii) If the agreement is for a period of one year and above which relates to non conventional & renewable sources of energy including co-generation.	Rs.2,000/- per MW or part thereof
	(iii) If the agreement is for a period of less than one year which relates to conventional fuel based plant	Rs.1,250/- per MW or part thereof
	(iv) If the agreement is for a period of less than one year which relates to non-conventional & renewable sources of energy including co-generation.	Rs.1,000/- per MW or part thereof <sup>2</sup>
	Note : In cases where the Commission declines to approve a power purchase agreement, the fees paid at the time of filing the said application shall be refunded after deducting any reasonable expenses incurred by the Commission in processing the said petition or application, as may be decided by the Commission.	
5.	Review of order passed on power purchase or procurement process	Rs.50,000/-

1. Inserted in Notification No.TNERC/Regulations/F&F/4/2, dated 3.6.2008

2. Substituted in Notification No. TNERC/ Regulations/F&F/4/2-8 dated 13-5-2014

3. Substituted in Notification No. TNERC/ Regulations/F&F/4/2-8 dated 13-5-2014

4. Substituted in Notification No. TNERC/ Regulations/F&F/4/2-8 dated 13-5-2014



Sl.No.	Nature of Application / Petition	Fees
6.	<sup>1</sup> [(a) Miscellaneous applications filed by individuals not covered by other listed categories.	Rs.1000/-
	(b) Miscellaneous applications not covered by other listed categories and filed by any organisation registered under the Companies Act, 1956( Act1 of 1956) or any firm or other Corporate Body)	Rs.10,000/-
	(c) For any interlocutory application in any main petition filed before the Commission.	Rs.500/-
7.	Miscellaneous petitions filed by associations or groups not covered by other listed categories	
	(a) Miscellaneous petitions filed by registered association of consumers or generators	Rs.2,00,000/-
	(b) Miscellaneous petitions filed by other registered associations	Rs.10,000/-
7A	For adjudication of disputes between licensees and generating companies under section 86(1)(f) of the Act.	1% of the amount in Dispute subject to a minimum of Rs.20000/-] <sup>1</sup>
8.	Fees for Review : (i) for correction of any order of the Commission on account of typographical or clerical error or mistake (ii) Review petition filed by an individual against the orders of the Commission in a Miscellaneous petition. (iii) Review petition filed by any organization registered under the companies act 1956 (C.A.1 of 1956) or any firm or corporate body against the orders in a Miscellaneous Petition. (iv) Review petition filed by registered association of consumer or generators against the orders in a miscellaneous petition. (v) Review Petition filed against the orders in a Dispute Redressal Petition (DRP)	Nil Rs.200/- Rs.3000/- Rs.20,000/- 10% of the fees paid in the original DRP.
9.	Inspection of orders or records of the Commission	Rs.100/- per day
10.	Supply of copies of documents / orders of the Commission	Rs.3/- per page
11.	Complaint against the working of a utility by the end user / consumer	

7. For various offences, non-compliances of the Act provisions, directions of the Commission, etc., the fines and penalties shall be governed by the respective provisions in the Act and Conduct of Business Regulations.

Fines &  
Penalties

8. The fees to be paid for an appeal petition against the orders of the Assessing Officer under sub-section (1) of section 127 of the Act shall be separately specified by the Commission.

Fees payable for  
petition under  
section 127(1) of  
the Act  
Fines & Penalties

9. (1) The fees to be accompanied with application for grant of license under Licensing sub-section (1) of section 15 of the Act shall be as prescribed by the Government under fee clause (a) of sub-section (2) of section 180 of the Act.

(2) The Licence fee payable by a licensee under the Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005 shall be as set out in the following Table :

TABLE  
Payment of Licence Fees

S.N (1)	Particulars (2)	Fees (3)
(a)	<sup>1</sup> [Initial Licence Fees (i) Transmission	Rs.1000/-MW of projected capacity subject to a minimum of Rs.1 lakh and maximum of Rs.20 lakhs
	(ii) Distribution	0.002 paise per unit of electricity estimated to be sold - during the year subject to a minimum of Rs.2 lakhs and maximum of Rs.10 lakhs.
	(iii) Trading	0.04% of value estimated to be traded subject to a minimum of Rs. 2 lakhs] <sup>1</sup>
(b)	<sup>2</sup> [Annual Licence Fees :	Rs.500/MW of capacity
	(i) Annual Licence Fees – Transmission	available at the end of the previous year subject to a minimum of Rs.50000/-
	(ii) Annual Licence Fees – Distribution	0.02 paise per unit of electricity proposed to be sold during the year subject to a minimum of Rs.2 crore.
	(iii) Trading	0.02 % of value estimated to be traded subject to a minimum of Rs.1 lakh.
(c )	<sup>3</sup> [Grant of exemption under section 13 of the Electricity Act 2003.	Rs.10,000/-] <sup>3</sup>

1. Substituted in Notification No.TNERC/F&F/4/2-1, dated 16.11.2006

2. Substituted in Notification No.TNERC/F&F/4/2-6, dated 4.2.2011

3. Substituted in Notification No.TNERC/F&F/4/2-1, dated 16.11.2006

No. (1)	Particulars (2)	Fees (3)
(d)	<sup>1</sup> [Making amendments/alterations to the terms and conditions of licence under section 18	Rs.20,000/-
(e)	Grant of prior approval under section 17 of the Act	Rs.10,000/-] <sup>1</sup>

“10. Payment or Refund of Fees in certain cases –

(1) “Where the petitioner withdraws a petition before taking up the petition on file and numbering it, he shall be liable to pay such cost as the Commission may award besides all reasonable expenses incurred in processing the petition for admission and after deducting the same the balance amount of fees paid by the petitioner may be refunded to him.

(2) Upon such withdrawal, the petitioner shall be precluded from filing any fresh petition in respect of such subject matter or part of the claim covered by such subject matter.

(3) Where a writ petition is transferred by the High Court to the Commission for disposal in accordance with law or where the petitioner files a petition before the Commission as per the direction of the High Court, the fees as per these regulations shall be paid by the petitioner”.

11. (1) Where the petitioner withdraws a petition before taking up the petition on file and numbering it, he shall be liable to pay such cost as the Commission may award besides all reasonable expenses incurred in processing the petition for admission and after deducting the same the balance amount of fees paid by the petitioner may be refunded to him.

<sup>2</sup>[Payment or Refund of Fees in certain cases

(2) Upon such withdrawal, the petitioner shall be precluded from filing any fresh petition in respect of such subject matter or part of the claim covered by such subject matter.

(3) Where a writ petition is transferred by the High Court to the Commission for disposal in accordance with law or where the petitioner files a petition before the Commission as per the direction of the High Court, the fees as per these regulations shall be paid by the petitioner]<sup>2</sup>

1. Substituted in Notification No.TNERC/Regulations/F&F/4/2-1, dated 16.11.2006

2. Inserted in Notification No.TNERC//Regulations/F&F/4/2-7, dated 27.6.2012

# **Tamil Nadu Electricity Grid Code**

**Notification No. TNERC/GC/13/1 Dated 19.10.2005**

WHEREAS under clause (h) of sub-section 1 of Section 86 of the Electricity Act, 2003 (Central Act 36 of 2003), the State Electricity Regulatory Commission shall among others, specify State Grid Code consistent with the Indian Electricity Grid Code (IEGC) specified by Central Electricity Regulatory Commission under clause (h) of sub-section 1 of Section 79 of the said Act.

NOW THEREFORE under the powers conferred by the said section and all other powers enabling in that behalf and after previous publication, the Tamil Nadu Electricity Regulatory Commission hereby specifies the following code.

## **CHAPTER 1**

### **1. Short Title and Commencement-**

- i. This code may be called “**Tamil Nadu Electricity Grid Code**”.
- ii. The provisions of this code shall come into effect on the date of its publication in the Tamil Nadu Government Gazette.
- iii. The date of commencement for provisions under sections 4 (1) (e) and 4 (2) (f) of this Code is subject to the transitional provisions of section

172 of Electricity Act 2003 where in the State Government may, by notification, authorize the State Electricity Board to continue to function as State Transmission Utility or a licensee for such further period as may be mutually decided by the Central Government and the State Government.

## **CHAPTER 2 PRELIMINARY**

### **2. Glossary and Definitions**

<b>No</b>	<b>Item</b>	<b>Definition</b>
1	ABT	Availability Based Tariff
2	Act	The Electricity Act 2003
3	Agency	A term used in this Code to refer to Licensee / Generating Stations that utilize the Intra State Transmission System.
4	Apparatus	Electrical equipments and includes all machines, fittings, accessories and appliances in which conductors are used.
5	Area of Supply	“Area of Supply” means area designated in the license for carrying out the licensed activity.
6	Automatic Voltage Regulator (AVR)	A continuously acting automatic excitation control system to control the voltage of a Generating Unit measured at the generator terminals
7	Black Start Procedure	The procedure necessary to bring back normalcy in the Grid from a blackout
8	BIS	The Bureau of Indian Standards
9	Captive Power Plant (CPP)	A Power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative societies or associations
10	CEA	The Central Electricity Authority
11	CERC	The Central Electricity Regulatory Commission
12	Central Transmission Utility (CTU)	Central Transmission Utility means any Government company, which the Central Government may notify under subsection (1) of Section 38 of the Act.
13	Central Generating Station (CGS)	Power Station, which is owned and / or controlled by Central Government.
14	Code	‘Code’ means the Tamil Nadu Electricity Grid Code in as

		much as this Code is concerned.
15	Co-generation	"Cogeneration" means a process, which simultaneously produces two or more forms of useful energy (including electricity).
16	Commission	Tamil Nadu Electricity Regulatory Commission
17	Connection A point	at which an agency's Plant and/or Apparatus

No	Item	Definition
	point	connects to the Intra State Transmission System.
18	Connection Agreement	An agreement setting out the terms relating to the Connection to and / or use of the Transmission / Distribution System.
19	Constituent Agency	Any agency who is a member of the State Electricity System
20	Consumer Consumer	Consumer means any person who is supplied with electricity for his own use by a Licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a Licensee, the Government or such other person, as the case may be
21	Demand	The demand in MW and MVA of electricity (i.e. both Active and Apparent Power) unless otherwise stated
22	Disconnection	The act of physically separating User's or customers electrical equipment from the System.
23	Distribution Licensee	"Distribution licensee" means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.
24	Distribution System	"Distribution System" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.
25	Disturbance A Recorder (DR)	A device provided to record the behavior of the pre-selected digital and analog values of the system parameters during an event.
26	Data Acquisition System (DAS)	A device provided to record the sequence of operation in time, of the relays / equipments / system parameters at a location.
27	Event	'Event' when used in conjunction with the terminology 'Event Logger' means an unscheduled or unplanned occurrence on a Grid, including faults, incidents and breakdowns.
28	Event Logger (EL)	A device provided to record the sequence of operation in time, of the relays / equipments at a location during an event.
29	External Interconnection	Electric lines and electrical equipment used for transmission of electricity between the Inter State and Intra State

Transmission System.

30	Forced Outage	An outage of a Generating Unit or a transmission facility due to a fault or other reasons, which has not been planned.
31	Generating Company	Means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a generating station.
32	Generating Unit	The combination of an electrical power generator and its prime mover and all of its associated equipment, which together constitutes a single generating machine.
33	Good Utility	Any of the practices, methods and acts engaged in or

No	Item	Definition
	Practices	approved by a significant portion of the electric utility industry during the relevant time period which could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliably, safely and with expedition.
34	Governor Droop	In relation to the operation of the governor of a Generating Unit, the percentage drop in system frequency which would cause the Generating Unit under free governor action to change its output from zero to full load.
35	High voltage DC System (HVDC)	High Voltage Direct Current System
36	IEC	International Electro Technical Commission, the authority that approves the electricity industry standards used on an international basis.
37	Independent Private Transmission Company (IPTC)	A licensed transmission agency, not owned / controlled by the Central / State Government, involved in the business of transmission of electrical energy.
38	Indian Electricity Grid Code (IEGC)	A document describing the philosophy and the responsibilities for planning and operation of Indian power system specified by the CERC in accordance with sub section 1(h) of Section 79 of the Act.
39	Inter State Transmission System (ISTS)	Inter-State Transmission System includes i) Any system for the conveyance of electricity by means of a main transmission line from the territory of one State to another State

ii) The conveyance of energy across the territory of an intervening State as well as conveyance within the State

		which is incidental to such inter-state transmission of energy
		(iii) The transmission of electricity within the territory of State
		on a system built, owned, operated, maintained or controlled
		by CTU.
40	Intra State Transmission System	The transmission system within the State of Tamil Nadu for the transmission of electricity to various parts of the State
41	Lean Period	That period in a day when electrical demand is at it's lowest.
42	Licensee	A person who has been granted a license under section 14 of the Electricity Act, 2003 to supply or transmit or trade electrical energy.
43	Load	The active, reactive or apparent power, as the context requires, generated, transmitted or distributed or consumed by a utility / installation.
44	Maximum Continuous Rating (MCR)	The normal rated full load MW output capacity of a generating unit, which can be sustained on a continuous basis at specified conditions.
45	National Grid	The entire inter-connected electric power network of the country, which would evolve after inter-connection of regional Grids.
46	Operation	A scheduled or planned action relating to the operation of the power system.
47	Outage	In relation to a generation / transmission system/ distribution system or facility, an interruption of power supply whether manually or through protective relaying in connection with maintenance / breakdown / failure or defects
48	Peak Period	That period in a day when electrical demand is at its highest.
49	Pool Account	A business account for payments regarding unscheduled interchanges (UI account) or and reactive energy exchanges (Reactive Energy account), as the case may be.
50	Power Station / Power Plant site	An installation of one or more Generating Units (even when separately owned and / or operated by the same Generating Company and which may reasonably be considered as being managed as a single integrated generating complex.
51	Prudent Utility Practices	Those practices, methods, techniques and standards, as changed from time to time that are generally accepted for use in the international electric utility industry, taking into account conditions in India / Tamil Nadu, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to equipment of a certain size, service and type



and which practices, methods, standards and acts shall be adjusted to the extent necessary, in order:

- (a) to conform to operation and maintenance guidelines recommended by the equipment manufacturers and suppliers and according to the guidelines given in the Indian / International Standards code of practice for such equipments.
- (b) to ensure compliance with the Electricity Act 2003, rules and other related laws.
- (c) to take into account the site location, including without limitation, the climatic, hydrological and other environmental or general conditions thereof.
- (d) to conform to energy conservation and
- (e) to conform to the general safety standards

52	Regional A regional energy account, for the settlement and billing of Energy Account (REA)	"Capacity Charge" and "Energy Charge".
53	Regional Grid	The important elements of constituent / user systems

No	Item	Definition
		including the ISTS which the RLDC supervises.
54	The Regional Load Despatch Centre (RLDC)	'Regional Load Despatch Centre' means the Centre established under sub-section (1) of Section 27 of the Act.
55	Single Line Diagram (SLD)	Diagrams which are a schematic representation of the HV / EHV apparatus and the connections to all external circuits at a Connection Point incorporating its numbering nomenclature and labeling.
56	Site Common Drawing	Drawing prepared for each connection point which incorporates layout drawings, electrical layout drawings, common protection/control drawings and common service drawings
57	Southern Region / Region	Region comprising of the States of Tamil Nadu, Andhra Pradesh, Karnataka, Kerala and Pondicherry for the integrated operation of the electricity system.
58	Spinning Part loaded that is synchronized to the system and is ready to provide	generating capacity with some reserve margin Reserve increased generation at short notice pursuant to despatch instruction or instantaneously in response to a frequency drop.
59	State Load Despatch Centre (SLDC)	The load despatch centre established under section 31 (1) the Act, operating round the clock for the purpose of managing the operation of the transmission system and co-ordination of generation and drawal on a real time basis.

60	State Sub Load Centre (SSLDC)	State's Sub Load Centre for local control at various places in Tamil Nadu
61	Supervisory Control and Data Acquisition (SCADA)	'SCADA' means Supervisory Control and Data Acquisition System that acquire data from remote locations over communication links and process it at centralized control location for monitoring, supervision, control as well as decision support.
62	State Transmission Utility (STU)	"State Transmission Utility" means the Board or the Government company specified as such by the State Government under sub-section (1) of section 39.
63	Static VAR Compensator (SVC)	An electrical facility designed for the purpose of generating or absorbing reactive power.
64	STS	State Transmission System
65	Supply	"Supply" in relation to electricity, means the sale of electricity to a licensee or consumer.
66	TNERC	Tamil Nadu Electricity Regulatory Commission
67	TNEGC	Tamil Nadu Electricity Grid Code
68	Transmission System	The system of EHT electric lines and electrical equipment owned and / or operated by the STU and other transmission licensees, for the purpose of the transmission of electricity

No	Item	Definition
		between power stations, external interconnections and the distribution system.
69	Transmission License	A license granted by the Commission under section 14 of the Act, to transmit electricity.
70	User	A person including the STU, Generating Company, Licensee and Power Grid Corporation of India or any such entity that uses the Transmission System and who must comply with the provisions of the Grid Code.
71	Utility	"Utility" means the electrical lines or electrical plant, and includes all lands, buildings, works and materials attached thereto belonging to any person acting as a generating company or licensee under the provisions of the Act.

## CHAPTER 3

### General

#### 3. Overview

(1) Generation, Transmission, Distribution and Supply are the main functions in an electric system. Irrespective of whether there are different wings under the control of the same management or independent companies and Licensees for these functions, as envisaged in Electricity Act 2003, the quality of service rendered to the end user depends upon the function of each wing. This Code defines the main functions connected with the Intra State Transmission System and also lays down the rules, the guidelines and standards to be followed by the various players (agencies and participants) in the system to plan, develop, expand, maintain and operate the power system in the most efficient, reliable, safer and economic manner. This Code is consistent with the Indian Electricity Grid Code (IEGC) and Grid Standards formulated under various regulations by CEA.

(2) **Objective:** The objective of the Code is to define the services rendered by each wing in the overall electric system and also for identifying the responsibility and performance factor and measurement points for each one of them. Further it facilitates intra state transmission and wheeling of electricity, with a focus on the operation, maintenance, development and planning of the Tamil Nadu State Electricity Grid. This Code brings out a single set of technical requirements encompassing all the Generators, Licensees, and State Transmission Utility connected to or related to or using the Intra State Transmission System and provides the following:

The documentation of the principles and procedures, which define the relationship between various users of the Intra State Transmission System and State Load Despatch Centre as well.

Responsibilities and obligation with respect to the operation of the State Transmission System (STS)

Suitable measures for connectivity with the Grid for all generating

plants

The standards with reference to quality, continuity and reliability of service for compliance by the Licensees.

Planning of the State Electricity Grid and making arrangements for its operation, maintenance, development and expansion.

Operation of Grid under normal, abnormal and emergency conditions.

Procedures for black start, fast restart, restoration of supply after major disturbances.

Penalty for the non-compliance of this Grid Code, Grid Standards and the lawful directions of RLDC and SLDC.

Facilitation for beneficial trading of electricity by defining a common basis of operation of the Intra State Transmission System applicable to all the users of the system.

To ensure economy and efficiency in the operation of the power system in the State

To achieve compliance with the Grid Standards and other relevant Standards, Codes, Regulations and direction of SLDC by every licensee and others involved in the operation of the power system.

**(3) Structure of the Tamil Nadu Electricity Grid Code:** The Code is structured in distinct chapters as follows:

- a) Functional responsibilities of entities connected with the State Grid
- b) System Planning
- c) Grid Connectivity conditions
- d) Requirement in Grid Operation
- e) Scheduling and Despatch
- f) Commercial issues and Implementation
- g) Non Compliance

**(5) General Requirements:** The Grid Code contains procedures to permit equitable management of day to day technical situations in the Electricity Supply System, taking into account a wide range of operational situations and requirements likely to be encountered under both normal and abnormal conditions. It is nevertheless necessary to recognize that the Grid Code cannot predict and

address all possible operational situations. Users must therefore understand and accept that, in such unforeseen circumstances, the State Transmission Utility (STU) who has to play a key role in the implementation of the Grid Code may be required to act decisively for maintaining the Grid regimes for discharging its

obligations. Users shall provide such reasonable co-operation and assistance as

the STU may request in such circumstances.

**(5) Application of other Codes etc.,**

- i. This code shall be read along with the, Tamil Nadu Electricity Supply Code, Tamil Nadu Electricity Distribution Code, and other relevant provisions of the Act, along with amendments thereon, rules and regulations made there under.
- ii. Where any of the provisions of this Code is found to be inconsistent with those of the Act, rules or regulations made there under, notwithstanding such inconsistency, the remaining provisions of this Code shall remain operative.
- iii. Where any dispute arises as to the application or interpretation of any provisions of this Code, it shall be referred to the Commission whose decision shall be final and binding on the parties concerned.
- iv. Wherever extracts of the Electricity Act, 2003, are reproduced, any changes / amendments to the original Act shall automatically be deemed to be effective under this Code also

## CHAPTER 4

### **Functional responsibilities of entities connected with the State Grid**

4. Entities and their roles with respect to the Tamil Nadu Electricity Grid Code and their functional responsibilities are outlined in the following clauses:

**(1) State Transmission Utility:**

(a) Responsible to undertake transmission of electricity through Intra State Transmission System.

(b) STU shall discharge all functions of planning and coordination relating to intra state transmission system with

- i. Central transmission utility
- ii. State Government
- iii. Generating Stations
- iv. Regional Power Committee
- v. Central Electricity Authority
- vi. All Licensees

vii. Any other person notified by the State Government in this behalf

(c) Ensure development of an efficient, coordinated and economical system of intra state transmission lines for smooth flow of electricity from a generating station to the load centers. All the planning works, viz., long term as well as short term shall be the responsibility of STU only.

(d) Provide non-discriminatory open access to its transmission system for use by

- i. any licensee or generating company on payment of the transmission charges or;
- ii. any consumer as and when open access is provided by the commission under subsection(2) of section 42 of the act, on payment of the transmission charges and a surcharge thereon as may be specified by the commission.
- iii. be a nodal agency for all long term open access customers.

(e) STU shall not engage in the business of trading of electricity

**(2) State Load Despatch Center (SLDC)**

The State Government shall establish a center to be known as the State Load Despatch Center for the purpose of exercising the powers and discharging the functions under sub section (1) of section 31 of the Act. This State Load Despatch Center shall be operated by a Government Company, or any Authority or Corporation established by the State Government, until such company, or Authority, or Corporation is notified by the State Government, the State Transmission Utility shall operate the State Load Despatch Centre.

The SLDC shall be the apex body to ensure integrated operation of the power system in a State. The SLDC shall:

- a. be responsible for optimum scheduling and despatch of electricity within the State, in accordance with the contracts entered into with the licensees or the generating companies operating in the State.
- b. monitor Grid operation;
- c. keep accounts of the quantity of electricity transmitted through the State Grid;
- d. exercise supervision and control over the intra state transmission system; and
- e. be responsible for carrying out real time operations for Grid control and despatch the electricity within the State through secure and economic operation of the State Grid in accordance with the Grid standards and this Code.
- f. not engage in the business of trading in Electricity.

The SLDC may levy and collect such fee and charges from the generating companies and licensees engaged in intra state transmission of electricity as may be specified by the commission.

SLDC may give such directions and exercise such supervision and control as may be required for ensuring the integrated Grid operation and for achieving the maximum economy and efficiency in the operation of the power system. Every licensee, generating company, generating station, substation and any other person connected with the operation of the power

system shall comply with the direction issued by the SLDC.

### **(3) Transmission Licensees**

Every Transmission Licensee shall comply with such technical standards of operation and maintenance of transmission lines, in accordance with this Code, Grid Standards, as may be specified by the Authority and the Indian Electricity Grid Code as applicable to the Intra State Transmission System. It shall be the duty of the transmission licensee

- a. to maintain and operate the transmission system which are licensed to him in the intra state transmission system and comply with the directions of RLDC and SLDC as the case may be
- b. provide non discriminatory open access to its transmission system for use by any licensee or generating company or other users on payment of the charges as determined by the Commission

### **(4) Regional Load Despatch Centre:**

The RLDC is the apex body to ensure integrated operation of the power system within the concerned regional grid. In respect of wheeling, optimum scheduling and despatch of electricity, the RLDC shall comply with the principles, guidelines and methodology as specified by the CERC. The RLDC may give such directions and exercise such supervision and control as may be required for ensuring integrated grid operations and for achieving the economy and the efficiency in the operation of the power system in the region under its control. Every licensee including transmission licensee, distribution licensee, STU, generating company, and any other person connected with the operation of power system shall comply with the direction issued by RLDC. All directions issued by the RLDC to any STU or any other licensee of the State or generating company or substation in the State shall be issued through SLDC and SLDC shall ensure that such directions are duly complied with by the licensee or generating company or substation.

### **(5) Regional Power Committee (RPC)**

Regional Power Committee, established by Government of India for the region may, from time to time, issue guidelines on matters concerning the stability and



smooth operation of the Grid and economy and efficiency in the operation of the power system in that region. Such directions shall be binding on all the entities covered by this Code and to the extent they are applicable to the intra state transmission system and State Grid.

#### **(6) Central Electricity Authority**

Central Electricity Authority in accordance with the provisions of section 177 of the Act 2003 may make regulations, which may provide for the following matters.

- ☐ Grid Standards as stipulated in Section 34 of the Act
- ☐ Measures relating to safety of Electric Supply as stipulated in Section 53 of the Act
- ☐ Installation and operation of meters as stipulated in Section 55 of the Act
- ☐ Technical standards for the construction of electrical plants, electric lines and connectivity to the Grid and other matters as stipulated in Section 73 of the Act.
- ☐ The form and manner in which and time at which the State Government and the licensee shall furnish statistics and return and other information under section 74 of Act.

Irrespective of whether the provisions under the regulations stated above are explicitly provided for or not in this Code, the said regulations and standards shall be binding on all the entities covered by this Code.

#### **(7) Central Transmission Utility**

Power Grid Corporation of India Limited (PGCIL) is the Central Transmission Utility as notified by Government of India. CTU is responsible for the entire inter state transmission and in that context, the relevance of this Code shall be limited to the connectivity between the intra state transmission system and the inter state system.

### **(8) State Coordination Forum**

As per Section 166 (4) of the Act, Govt. of Tamil Nadu shall constitute a coordination forum consisting of the Chair person of the TNERC and Members there of, representatives of the generating companies, transmission licensees and distribution licensees engaged in generation, transmission and distribution for electricity in the State for smooth and coordinated development of the power system in the State. Any issues related with the planning and operation of the Grid shall be discussed in this forum. It is for the Commission to consider the recommendations of the Forum and act suitably through directives to STU / SLDC

### **(9) District Committee**

District Committees shall be constituted in each district by Government of Tamil Nadu to :

- a. coordinate and review the extension of electrification in each district;
- b. review the quality of power supply and consumer satisfaction ;
- c. promote energy efficiency and its conservation.

The recommendations, which are applicable in relation to this Code and also not inconsistent with the provisions of the Act and this Code, shall be coordinated and dealt with by STU.

### **(10) Tamil Nadu Electricity Regulatory Commission (TNERC)**

The functions of TNERC with relevance to TNEGC are:

- i. To determine the rate, charges and terms for the use of the transmission facilities of Licensees
- ii. To specify the fees and charges payable to SLDC
- iii. To issue directions on matters of non compliance of TNEGC or to take decisions on any dispute referred to them
- iv. To issue transmission licenses.
- v. To issue amendments to the TNEGC as and when required.

**(11) Government of Tamil Nadu (GoTN)**

Government may issue directions to SLDC, to take measures as may be necessary for maintaining smooth and stable transmission and supply of electricity. SLDC shall abide by such directions if they are not inconsistent with the provisions of the Act and this Code.

## **CHAPTER 5**

### **System Planning**

**5. System Planning:-** (1) The System Planning specifies the policy and procedures to be applied in planning of Tamil Nadu State Grid. The Users of the State Transmission System shall take the "System Planning" into account for planning and development of their own System. A requirement for reinforcement or extension of the State Transmission System may arise for a number of reasons, including but not limited to the following:

- (i) Development on a User's system already connected to the State Transmission System.
- (ii) The introduction of a new Connection point between the User's system and the State Transmission System.
- (iii) Evacuation system for Generating Stations within or outside the State.
- (iv) Reactive Power Compensation.
- (v) A general increase in system capacity (due to addition of generation or system load) to remove operating constraints and maintain standards of security.
- (vi) Transient or steady state stability considerations.
- (vii) Cumulative effect of any of the above.

Accordingly, the reinforcement or extension of the State Transmission System may involve work at an entry or exit point (Connection Point) of a User to the State Transmission System. Since development of all User's systems must be planned well in advance to permit consents and way leaves to be obtained and detailed engineering design/construction work to be completed, STU will require information from Users and vice versa. To this effect, the system planning imposes time scale for exchange of necessary information between STU and Users having regard, where appropriate, to the confidentiality of such information.

## **(2) Objective**

The provisions of this section are intended to enable STU to evolve a plan in consultation with Users, to provide an efficient, coordinated, secure and

economical State Transmission System to satisfy requirement of future demand. The System Planning

- ⌚ Defines the procedure for the exchange of information between STU and a User in respect of any proposed development on the User's system, which may have an impact on the performance of the User.
- ⌚ Details the information which STU shall make available to Users in order to facilitate the identification and evaluation of opportunities for use of or connection to State Transmission System;
- ⌚ Details the information required by STU from Users to enable STU to plan the development of its Transmission System to facilitate proposed User developments;
- ⌚ Specifies planning and design standards, which will be applied by STU in planning and development of the power system.

## **(4) Planning Policy**

STU would develop a perspective transmission plan for next 10 years for State Transmission System. These perspective transmission plans would be updated every year to take care of the revisions in load projections and generation capacity additions. The perspective plans shall be submitted to Commission for approval. STU shall carry out annual planning process corresponding to a 5-year forward term for identification of major State Transmission System. Both the long term and short term plans shall fit into National Electricity Plan formulated by Central Government, perspective plan developed by CEA, Electric Power Survey of India published by the CEA, and long term / short term plans prepared by Central Transmission Utility.

#### **(4) Planning Procedure**

STU shall adopt the following steps in system planning.

- (i) Forecast the demand for power within the Area of Supply, based on the forecasts provided by distribution licensees, and provide to the Commission details of the demand forecasts, data, methodology and assumptions on which the forecasts are based. **For demand forecasting, the methodology and procedure followed by the Electric Power Survey Committee constituted by CEA may be**

**followed.** These forecasts would be annually reviewed and updated. The primary responsibility of load forecasting within distribution licensee's Area of Supply rests with respective distribution licensees. The distribution licensees shall determine peak load and energy forecasts of their areas for each category of loads for each of the succeeding 5 years and submit the same annually by 31st March to STU along with details of the demand forecasts, data, methodology and assumptions on which the forecasts are based along with their proposals for transmission system augmentation. The demand forecasts shall be updated annually or whenever major changes are made in the existing forecasts or planning. While indicating requirements of single consumers with large demands (1 MW or higher) the distribution licensee shall satisfy himself as to the degree of certainty of the demand materializing.

- (ii) The STU shall work out on the basis of projected loads and losses of the system, the net energy requirement and peak load requirement at generation end. The installed capacity, peak availability, surplus and deficit both in demand and energy shall also be worked out by the STU.
- (iii) Workout the additional generating capacity required after taking into account, the existing capacity, assistance from captive power

plants, projects under construction, proposed projects under IPPs (Independent Power Producers) in the State sector and share of the State from Central sector Power Projects both within and outside Tamil Nadu.

- (iv) Prepare a proposal for the requirement of generation for the State to meet the load demand as per the forecast, after examining the economic; technical and environmental aspects of all available alternatives taking into account the existing contracted generation resources and effects of demand side management.
- (v) The plan shall indicate the areas opened up for private investors / generation expansion so as to facilitate decision on private investment.
- (vi) Prepare a transmission plan for the State Transmission System compatible with the above load forecast and generation plan. This will include provision for VAR compensation needed in the State Transmission System. The reactive power planning exercise is to be carried out by STU in consultation with RLDC/SREB and distribution licensees.
- (vii) STU's planning department shall use load flow, short circuit, transient stability study, relay coordination study and other techniques for transmission system planning.
- (viii) STU's planning department shall simulate the contingency and system constraint conditions for the system in transmission system planning.
- (ix) STU would maintain a historical database based on operational data supplied by SLDC using the state-of-the-art tools such as Energy Management System (EMS) for demand forecasting.
- (x) STU shall be responsible to prepare and submit a long-term (10 years) plan to the Commission for the requirement of generation expansion and transmission system expansion to meet the future demand growth. The proposal for setting up of generating plant would be prepared after examining the economic, technical &

environmental aspects.

- (xi) All the Users shall supply to STU, the desired planning data by 31st March every year to enable STU to formulate and finalize the plan by 30th September each year for the next 5 years.
- (xii) The plan reports shall contain a Chapter on additional transmission requirement, which may include not only intra-State transmission lines but also additional equipment such as transformer, capacitors, reactors etc.
- (xiii) The plan report shall also indicate the action taken to fulfill the additional requirement and actual progress made on new schemes. The planning report and power map will be available to any interested party for making investment decision/connection decisions to the STS.
- (xiv) To provide long-term open access as per the terms and conditions formulated by TNERC.
- (xv) Based on Plans prepared by the STU, other Transmission / distribution licensees shall have to plan their systems to further evacuate power from the STS. In case of Long Term Open Access Applications requiring any strengthening in the intra-State transmission system to absorb/evacuate power beyond STS, the applicant shall co-ordinate with CTU.
- (xvi) The Inter-State Transmission System and associated intra-State transmission system are complementary and inter-dependent and planning of one affects the other's planning and performance. Therefore, the development of associated intra-State transmission system shall also be in line with the development of Inter-State Transmission System.

## **(5) Planning Standards**

The State Transmission System planning and generation expansion planning shall be in accordance with the provisions of the Planning Criterion as per



IEGC. However, some planning parameters of the State Transmission System may vary according to directives of TNERC and State specific requirements.

## **(6) Generation Planning**

(a) The generation planning mainly concerns with the expansion of the generating network and the special focus are:

- Capacity addition by the distribution licensee, IPPs, Co-Generators and Captive Generators.
  - Flows from central sector power stations
  - Expected power flow through Trading of Power
  - Adoption and effectiveness of Demand Side Management and Energy Conservation Measures.
  - Optimization of existing capacity through renovation and modernization.
  - Utilizing the off peak surplus from base load station for the pumped storage plants during pump mode operation
  - Environmental and financial constraints
- 
- Fuel prices and availability

(b) The important key issues with respect to the generation planning are:

Predicting the establishment of new generation capacity, including where, when and how much

Predicting generation despatch;

Provision towards generation reserve for reliability of supply

Predicting decommissioning of old generation capacity

Environmental regulation leading to an increasing amount of renewable energy sources generation with prioritized Grid access.

The impact of wind energy generators, Co-Generators and Captive generation units on the dynamic performance of the power system considering its special nature.

Impact of large generating plant on the Grid

Increasing amount of non-despatchable

generation Marginal costs for generators

Price elasticity of consumers

Market player's estimates of future power prices

Rules for access to the capacity on the interconnection

(d) The STU shall analyze the planning problem by making use of software models, simulation programs etc., of power system engineering. Possible applications are:

- Predicting the generation capacity and despatch by including system reliability, marginal generation costs, future electricity price and future environmental policy, through dedicated models
- Simulation of different scenarios in capacity development and generation despatch for the development of a flexible transmission grid structure.
- Integrated resource or least cost planning methods to evaluate the potential capacity addition resources and uncertainties and to determine the best mix of sources.
- Probability methods for generation planning by representing generating unit failure and repair processes, load variability due to weather and other uncertainties.

Note: Many hydro stations in Tamil Nadu are tied up with irrigation schedules and these stations have to be closed down during certain period of the year. Also in case of monsoon failure, many hydro stations cannot be operated at full capacity. For estimating peak availability and energy availability for generation planning, these peculiarities shall be taken into account.

## **(7) Transmission System Planning**

(a) The planning criterion are based on the security philosophy on which

the STS has been planned. The security philosophy may be as per the Transmission Planning Criteria and other guidelines as given by CEA. The general criteria shall be as detailed below:

- i) As a general rule, the STS shall be capable of withstanding and be secured against the following contingency outages without necessitating load shedding or rescheduling of generation during Steady State Operation:
    - Outage of a 110 kV D/C line or,
    - Outage of a 230 kV D/C line or,
    - Outage of a 400 kV S/C line or,
    - Outage of single Interconnecting Transformer.
  - ii) The above contingencies shall be considered assuming a pre contingency system depletion (Planned outage) of another 230 kV D/C line or 400 kV S/C line in another corridor and not emanating from the same substation. All the Generating Units may operate within their reactive capability curves and the network voltage profile shall also be maintained within voltage limits specified.
- (b) The STS shall be capable of withstanding the loss of most severe single system infeed without loss of stability.
- (c) Any one of these events defined above shall not cause:
- i) Loss of supply
  - ii) Prolonged operation of the system frequency below and above specified limits.
  - iii) Unacceptable high or low voltage
  - iv) System instability
  - v) Unacceptable overloading of STS elements.

#### **(8) Sub-Station Planning**

Planning and design of sub stations shall be based on the following:

- i) Security of supply, extendibility, maintainability and operational flexibility
- ii) Statutory Safety Requirements.

iii) Protection from direct lightning stroke.

iv) Switching Scheme: -

(a) 400 kV sub-station : One and a half breaker scheme or double main and transfer bus bar scheme.

(c) 230 kV sub-station : Double Main and Transfer Scheme or Double-Main with breaker by-pass scheme.

(d) 110 kV sub-station : Main and Transfer Scheme.

(e) Below 110 kV : as decided by the licensee with the consent of STU.

v) All new EHT Circuit Breakers shall be of SF6 type.

(Any alternative type of circuit breaker developed in due course with same or better performance may be employed after taking clearance from the STU / Commission).

Pre insertion Resistors shall be used for 400 kV (and above) circuit breakers to control switching surges.

vi) Isolators shall be pneumatic or motor operated.

vii) Surge diverters shall be of metal oxide type as per IEC 60099.

viii) Inter-Connecting Transformers shall be provided with On Load Tap Changers (OLTC).

ix) The Control Room shall be extensible. Operation of Circuit breakers, OLTCs, Isolators (230KV and above), shall be possible from the Local Panels as well as Panels in the Control Room. Necessary interlocks shall be provided to meet these requirements.

x) All sub-station structures shall be of lattice steel, protected against corrosion by hot dip galvanization. Lightning masts shall be designed for

diagonal wind condition. The structures shall conform to IEC 865, IS-875, IS – 806, IS-802 and IS-800.

xi) Electrical, mechanical and civil designs shall be standardized to the extent possible. Where standards developed by CTU/STU are available, the same may be adopted at the option of the transmission licensee.

xii) Power Supply to Sub-Station Auxiliaries :

(a) AC supply :

Two HT supplies shall be arranged from independent sources. One of

the two HT supplies shall be standby to the other. In addition, a Diesel Generating set of suitable capacity shall also be provided.

(b) DC Supply: (Applicable to new sub-stations) There shall be two sets of 220V batteries, each equipped with its own charger for substations of 230 kV and above. Each battery shall be of adequate capacity to meet the sub-station requirements. The batteries shall operate in parallel and one being standby to the other. Facility for changing the duty of the batteries from main to standby and vice versa shall be made. There shall be two sets of 50V batteries (one being standby to the other) for PLCC System. For sub-stations of 110 KV and below, one set of battery each may be provided.

xiii) For high current, XLPE cables shall be employed., However for LV / MV systems PVC Cables corresponding to IS –1554 could be employed at the discretion of the Licensees. The cables shall normally be laid in trenches. For buried cables, suitable protection shall be provided.

xiv) Reliable (PLCC or higher quality) communication link shall be provided on all EHT lines for voice, fax, protection, telemetry and SCADA. High accuracy standard coupling shall be provided for this purpose.

xv) Sub-Station Grounding shall be done in accordance with IEEE-80.

xvi) The size and number of Interconnecting transformers shall be selected such that outage of one ICT would not overload the remaining ICTs or the underlying system.

xvii) The stuck breaker condition in the sub-station shall cause disruption of not more than four feeders in 110 kV or 230kV system, more than two feeders in 400kV.

xviii) In the sub-stations of 230 kV and higher voltage, the Control Room, PLCC Room, Relay Testing Room and Electronic Laboratory shall be air-conditioned.

## **(9) EHV/HV Underground Cables**

(i) The cable proposed to be connected to the system shall comply with the following

(a) Shall be of XLPE(Cross linked Poly Ethylene) type corresponding to IS -7098

(Any alternative type of cable developed in due course with same or better performance may be employed after taking clearance from the STU / Commission).

(b) The cable conductor shall be of adequate size considering Continuous current, short-circuit current, voltage drop etc and shall correspond to IS - 8130

(c) Cables shall be provided with suitable sheathing, armouring and screening such that these have the requisite mechanical strength and flexibility to withstand the stresses during handling and laying into ducts / trenches.

(d) Prior permission shall be obtained from the appropriate authority for digging trenches and precautions shall be taken to prevent accidents and to preclude accidental cutting of communication cables, other power cables, water, gas and sewage lines in accordance with the provisions of "Part-VIII of the Act".

(e) The route maps shall be kept at the substation and markers shall be fixed to trace the cables.

(f) Road crossing shall be carried out by providing culverts, hume pipes or GI pipes.

(g) Jointing and termination shall be carried out in accordance with the relevant standards.

(ii) Clearance from Power Telecom Coordination Committee shall be obtained.

#### **(10) Planning for VAR Compensation in the Network.**

(a) Over and above the demand estimation and planning to cater the active power, reactive power despatch is also important for overall efficient and trouble free Grid operation. A close relation exists between voltage instability and reactive power compensation. Hence the planning for reactive power compensation is also a system-planning problem and needs careful study. STU shall carry out planning studies for Reactive Power Compensation of

STS including reactive power compensation requirement at the Generating Station's Switchyard. Normally, while planning the system, the degree of reactive power compensation is considered at load points by keeping an eye on target power factor assigned, the load power factor and the supply / absorption of reactive power from the various elements in the system. It is considered a good practice of not drawing any reactive power from the remote ends but meeting all the requirements locally. Flattening the nominal voltage across the system shall be achieved by the optimal use of reactive power compensation in the network so as to improve the voltage profile across the system and is a measure of balance between the reactive power generated and absorbed in the system.

(b) The operative power factor of the generators in the network shall be between 0.85 lagging and 0.95 leading for good reactive power supply capability for local loads and should not generally be used for remote despatching of reactive power.

(c) The quantum of compensation required to be provided in the Grid shall be suitably distributed in the transmission system, sub stations and distribution system of network. The norms for percentages and quantum of MVAR to be provided by the Licensees / Generators for different period must be specified by STU through well-documented guidelines for use by all concerned.

## **(11) Planning Data**

For System Planning ISGS/State Generating Companies/IPPs/licensees are to supply two types of data. They are:

### **(i) Standard planning data**

Standard planning data consists of details, which are expected to be normally sufficient for the STU to investigate the impact on the STS due to User development. For generation planning the required standard data shall be furnished as per Annexure A-1. For transmission planning the required standard data shall be furnished as per Annexure A-2.

**(ii) Detailed planning data**

Detailed planning data consist of additional, more detailed data not normally expected to be required by STU to assess the impact of User development on the STS. This data shall be furnished by the Users of STS as and when requested by STU.

**(12) Implementation of Transmission Plan**

The actual program of implementation of transmission lines, Interconnecting Transformers, reactors/capacitors and other transmission elements will be determined by STU in consultation with the concerned agencies. The completion of these works, in the required time frame, shall be ensured by STU through the concerned agency.

**CHAPTER 6**

**Grid Connectivity Conditions**

**6. Objectives**

**(1)** The objectives of the grid connectivity conditions are to ensure that (a) the basic rules for connections are complied with to treat all agencies in a non-discriminatory manner (b) any new or modified connections, when established, shall neither suffer unacceptable effects due to its connection to the transmission system nor impose unacceptable effects on the system of any other connected agency (c) the ownership and responsibility for all the equipments, shall be clearly specified in a schedule (Site Responsibility Schedule) and (d) a prospective user is well informed, in advance, of the standards and conditions his system has to meet, for being integrated into the existing power system, the standards and parameters of the existing system with which his system has to be interfaced and the electrical environment in which his system has to operate.

**(2) Scope:**

The connectivity conditions apply to all State / Central Government sponsored generating companies, captive power generators, IPPs, STU,



transmission / distribution Licensees, Bulk Consumers and all the users seeking new connection with the intra state transmission system including the existing transmission licensees and the users who may be required to modify / upgrade their systems.

**(3) Procedure for connection:**

(i) STU shall identify opportunities for new connections and optimal locations after conducting the system studies in co-ordination with the organizations listed under the respective sections of the Act, namely Section 39(2)(b) for the STU and in conformity with the National Electricity Plan drawn by the Authority under Section 3(4) of the Act.

(ii) STU shall furnish details of the prospective connection points in respect of their system on their web-site inviting initial application from the users.

(iii) Connection may also be sought for locations other than those described in (i) and (ii).

(iv) In all the cases covered by the points (i),(ii) and (iii) above, the users and transmission licensee shall forward their request for grid connectivity to the STU, as the case may be, in the proforma prescribed by the STU. Proforma for different categories of users shall be made available on STU's web-sites and shall inter-alia, include technical data pertaining to generating unit(s) / transmission system / distribution system / load, single line diagram and topographical map showing the location of the proposed user's apparatus and equipment.

(v) The prospective users shall be required to pay to the STU/transmission licensee the charges as (proposed by STU/transmission licensee) approved by the Commission, for the purposes of conducting initial interconnection studies, any additional studies as well as processing the application.

(vi) On receipt of the request from the user & transmission licensee along with the prescribed charges, the STU / transmission licensee shall, within one month of receipt of the proposal, accept the proposal or suggest modifications thereto. In the event of user / transmission licensee requesting

for any specific information / study / data from the STU / transmission licensee for the purpose of grid connectivity, the STU/transmission licensee shall make the same available to the user /transmission licensee

(vii) STU shall be entitled to reject any application for connection to/or use of State Transmission System if such proposed connection is likely to cause breach of any provision of its license or any provision of the Grid Code or any provision of IEGC. In the event of any dispute with regard to modifications, not being acceptable to the user, the user may approach the Commission for dispute resolution.

(viii) The STU/ transmission licensee and the user/ transmission licensee shall enter into a Connection Agreement within two months of acceptance of the proposal. The Connection Agreement shall contain time schedule for completion of the facilities of User and STU/ transmission licensee, both indemnifying the delays on the part of the other. Both the parties shall inform the progress of major milestones to each other. The time limit for entering into the connection agreement may be extended, if both parties agree.

(ix) Copies of the Connection Agreement shall be sent to the transmission licensee, load dispatch centre, Regional Power Committee, Commission and the Authority.

(x) Upon fulfillment of all the conditions, STU shall notify the agency that it can be connected to the STS.

(xi) **In respect of existing connections, the Commission may allow relaxation up to 2 years in respect of connection agreements. The process of renegotiation of the connection conditions of the STS should be completed within the above period. Due to any reason if this process gets delayed further, Commission may consider relaxation for a further period for which a petition will have to be filed by the concerned constituent along with STU's recommendations / comments. The present agreements may continue till such renegotiation and revised agreements are over.**

(xii) The cost of modification, if any, shall be borne by the concerned

constituent. The STU shall normally make a formal offer to the agency within two months. The offer shall specify and take into account any works required for the extension or reinforcement of the Transmission System to satisfy the requirements of the connection application and for obtaining statutory clearances, way leaves as necessary.

#### **(4) General Connectivity Conditions**

A prospective user and transmission licensee proposing a new connection shall comply with the following conditions:

- i) The user shall meet the requirements in accordance with the provisions of Standards on Grid Connectivity and Grid Standards specified by the Authority and IEGC specified by CERC.
- ii) Requisite protections shall be provided in the user's system to protect the Grid from the faults originating in the user's systems.
- iii) Notwithstanding the protection systems provided in the Grid, the user/ transmission licensee shall provide requisite protections for safeguarding his system from the faults originating in the transmission system / Grid.

(iv) *No user of the Grid shall exceed the Harmonic Distortion Level specified in the CEA (Grid Connectivity) Regulations.*

- v) The user shall furnish requisite data to the STU / transmission licensee for enabling it to conduct interconnection studies.
- vi) The user is obliged to cooperate with the STU, transmission licensee and load dispatch centre in respect of the operational matters listed below, but not limited to: -

- a) Carryout the modifications in his equipment considered necessary, whenever the power system is upgraded or modified
- b) Protection coordination (relay settings)
- c) Provide on line data to the appropriate load dispatch centre
- d) Participate in contingency operations such as load shedding, islanding, black start, providing start-up power and restoration
- e) Furnish data to the STU / transmission licensee, SLDC and any committee constituted by appropriate Government or Authority for

disturbance analysis and other studies

f) Coordinated outage plan of the State/Region

g) Prompt implementation of instructions of load dispatch centre.

(vii) The user's equipment at the site owned by the transmission licensee shall be maintained promptly and properly by the user and vice versa so that the equipment and personnel of the site owner are not jeopardized by the neglect of the other entity.

**(5) Connection Agreement:**

Every connection of a user's system to the transmission system shall be covered by a Connection Agreement between the user and the transmission licensee. The Connection Agreement shall contain general, specific, technical and financial conditions, applicable to that connection. A connection agreement shall include (but not limited) as appropriate, within its terms and conditions, the following:

- i. A condition requiring both parties to comply with Indian Electricity Grid Code and Tamil Nadu Electricity Grid code, provisions under the Act, other Codes and regulations issued by the Commission / CEA.
- ii. Details of connections, technical requirements and commercial arrangements.
- iii. Details of capital expenditure if any required to be met before extending open access to the open access consumer
- iv. Site responsibility schedule
- v. Details of the protection arrangements made and its coordination with the Grid. This includes short circuit protection and insulation coordination.
- vi. Procedure necessary for site access, site operational activities and maintenance standards for STU equipment at the premises of the users and vice versa.
- vii. Specific clause to the effect that necessary guidelines for insulation coordination in live working shall be followed by the STU / Agency.

viii. Commitment to provide the data requirements as per Annexure B-1.

#### **(6) Metering and Communication**

- i) The user shall provide meters for accounting and audit purposes as per the standards specified by Authority under Section 73(e) of the Act. The agency who has to provide, operate and maintain the metering arrangements at various locations will be stipulated by the STU in the connection agreement. STU shall be responsible to formulate the metering procedure and implement it with other Users.
- ii) The user shall be required to provide the voice and data communication facilities as decided by SLDC.
- iii) The user shall make arrangements for integration of the controls and telemetering features of his system into the Automatic Generation Control, Special Protection System, Energy Management Systems and SCADA system of the STU / SLDC.

#### **(7) Connection Points**

##### **(i) Generating Stations including IPPs:**

Generating stations Switchyard Voltage may be at the level of 400,230 and 110 kV or as agreed to by the STU. Unless specifically agreed with the STU, the connection point shall be the outgoing feeder gantry of the Power Station switchyard. All the terminal, communication, protection and metering equipments owned by the generating agency, within the perimeter of their site shall be maintained by them. From the outgoing feeder gantry onwards, all electrical equipments shall be maintained by the STU.

##### **(ii) Distribution Licensee**

The Voltage may be at the level of 110, 33, 22 and 11 kV. The connection point shall be the outgoing feeder gantry of the STU's sub-station, if the sub station is owned by STU, else, the connection point shall be the terminal structure feeder gantry at the entry into the sub station.

##### **(iii) Inter-State transmission System**

For the Southern Regional Transmission System, the inter state transmission

link to the intra state system, the connection point, protection scheme, metering scheme, metering point and the voltage shall be in accordance with the mutual agreement between CTU and the STU.

**(iv) Captive Generators, Co-generators and HV consumers**

The voltage level may be at 230, 110, 66, 33, 22, 11 kV or as agreed to by STU. Sub-stations shall be owned by Co-Generators, CPPs and the HV consumers. The connection point shall be the feeder gantry on their premises.

**(8) Site Responsibility Schedule:**

A Site Responsibility Schedule (SRS) shall be prepared for every connection. At the connection site where equipment of both entities, i.e., the Transmission Licensee and the user are installed, the user shall furnish required data to the Transmission Licensee and the Transmission Licensee shall prepare SRS. At a generating station, the transmission licensee shall furnish the necessary data to the generating company who shall prepare SRS. A SRS format is given in Annexure –B1

**(9) Access at Connection Site :**

The user owning the Connection Site shall provide reasonable access and other required facilities to another User / Licensee whose equipment is proposed to be installed / installed at the Connection Site for installation, operation, maintenance, etc. Written procedures and agreements shall be

developed between entities to ensure that mandatory access is available to the entity concerned, at the same time safeguarding the interests of both entities at the connection site.

**(10) Site Common Drawings :**

Site Common Drawings shall be prepared by the owner company (transmission licensee or User) using the information furnished by the other company (user or transmission licensee) containing the following information:

- a) Connection Site Equipment Layout

- b) Electrical Layout
- c) Common Protection and Controls
- d) Common Services (water, compressed air, telephone, LT electricity for lighting and other appliance, etc)

The site common drawings shall clearly show the gas insulated parts and gas/air boundary in the case of gas insulated sub-stations. If any change in the drawing is found necessary, either by agency or STU, the details will be exchanged between agency and STU as soon as possible.

**(11) Site Operational and Safety Procedures:**

- (i) The transmission licensee and the user shall ensure that staff is available to take necessary safety precautions and carry out operational duties at the site. Written operating and safety procedures as approved by competent authority shall be made available at each site. The telephone numbers and addresses of the officers of each entity responsible for operation at the connection site shall be furnished to the other entity.
- (ii) The CEA (Safety) Regulations and CEA (Safety) Standards shall be complied with by all the Users and Transmission Licensees.
- (iii) Fire Protection Systems shall be provided at the generating stations and sub-stations as per prudent utility practices.

**(12) Boundaries between Systems of Entities :**

**(i) Boundary between a Generating station and the Transmission System**

The boundary shall be the line isolator of the feeder, which injects power into the transmission system. The isolator shall be in the jurisdiction of the generating company.

**(ii) Boundary between the Transmission System and the Distribution System :**

The boundary shall be the line isolator of the outgoing feeder injecting power into the distribution system. The line isolator shall be in the jurisdiction of the transmission licensee. Alternatively the boundary may be the isolator between

the LV side circuit breaker of the Extra High Tension (EHT) Transformer and the 33kV bus-bars at the EHT Sub-Station. The actual boundary shall be decided jointly by the transmission licensee and the distribution licensee.

(iii) In respect of case (i) and (ii) above, at particular inter-connections both parties may jointly agree on a different boundary. In such an event the written agreement shall be submitted to the RPC /STU.

(iv) **Boundaries between Transmission / Distribution Licensee and Captive Generators, Co-generators and HV consumers**

The boundary between the transmission / Distribution licensee and Captive Generators, Co-generators and HV consumers is the isolator in the consumer's or Captive Generators or Co-generators system, which is also the point of commencement or injection of supply.

(V) **Boundaries between Inter-State Transmission System and Intra State Transmission System**

For the Southern Regional Transmission System, the inter state transmission link to the intra state system shall be in accordance with the mutual agreement between CTU and the STU. In such an event the written agreement shall be submitted to the RPC.

**(13) Standards and Codes of Practices:**

(i) The equipment to be installed by the users and transmission licensees shall conform to the relevant construction standards specified by the Authority, the relevant Indian Standards (IS), the relevant British Standard, IEC Standard, Standard of American National Standards Institute (ANSI) or any other equivalent International Standard

(ii) Where neither an Indian nor an International Standard or Code of Practice exists, an entity shall develop its own Interim Standard or Code of Practice acceptable to Prudent Utility Practices. The Standards and Codes of Practice shall be similar to the existing standards for similar equipment. The aim of each Standard or Code of Practice shall be to achieve quality and reliability in performance and safety and compatibility with other equipment in the same system. The Interim Standard developed by an entity shall be replaced by an Indian or an International Standard when it is published.



(iii) Wherever an International Standard or IEC Standard is followed, necessary corrections shall be made for different system frequency, nominal system voltage, ambient temperature, humidity and other conditions prevailing in India before actual adoption of the Standard.

**(14) Basic Insulation Level and Insulation Coordination:**

(i) For Basic Insulation Level and Insulation Coordination, the Grid Connectivity Standards formulated by CEA shall be followed.

(ii) The following criteria shall be applied in the same order of priority in determining Basic Insulation Level (BIL) of various items of equipment and ratings of surge diverters at generating stations, lines and substations:

- (a) Ensure safety to public and operating personnel
- (b) Avoid permanent damage to plant
- (c) Prevent failure of costly equipment
- (d) Minimize circuit interruptions
- (e) Minimize interruptions of supplies to consumers

(iii) For determining BIL, the following factors shall be taken into account :

- (a) Over voltages due to switching and transients occurring under the highest permissible steady state system voltage conditions
- (c) Lightning surges
- (d) Type of earthing of the system - solidly earthed or earthed through resistor/reactor or isolated neutral
- (e) Weather conditions prevailing at site.
- (f) Effects of pollution

(iv) Computer-based optimisation studies may be carried out to finalise the BIL. The recommendations of IEC - 71 may be taken into consideration while carrying out the above studies.

(v) Each user/transmission licensee shall calculate optimum BIL for various items of equipment and lines in his system and ensure that the equipment used / proposed to be used is manufactured to the required BIL. It shall be the responsibility of the user / transmission licensee to ensure through appropriate tests that the equipment procured has the required BIL.

- (vi) Insulation coordination of equipment and lines on both sides of a connection point belonging to different entities shall be accomplished and the co-ordination shall be done by the transmission licensee.
- (vii) To protect the costly equipment like Generator and Transformer against lightning, switching and other surges, surge diverters shall be provided as near the equipment terminal as possible.

**(15) Disturbance Recorders and Event Loggers:**

Every generating station connected to the Grid at 230 kV or above, 230 kV sub-stations with transformation capacity more than 200 MVA, all substations of voltage 400 kV and above shall be provided with disturbance recorders and event loggers and shall be synchronized with a common time reference of Global Position Satellite (GPS) System.

**(16) Schematic Diagram:**

(i) The user and transmission licensees shall prepare single line schematic diagrams in respect of their system / facility and make the same available to the transmission licensees and the users in order to enable both of them to have requisite information about the system with which they are to get connected.

(ii) The following details shall be included in the single line diagrams:

- (a) HT and EHT equipment, bus bars, incoming and outgoing feeders, control, protection, metering arrangement, length of feeder, size of the conductor and name of the station at the other end of the feeder.
- (b) AC and DC auxiliary power supply systems. Standby supplies and sources.
- (c). Connection of distribution systems at EHT sub-stations, showing the areas served by each outgoing feeder.

(iii) State Grid Maps showing the complete network of transmission lines shall be prepared, updated and maintained by STU and supplied to the entities requiring the same.

## **(17) Protection System and Coordination:**

### **(a) Protection in general**

(i) Every element of the power system shall be protected by a standard protection system having the required reliability, selectivity, speed, discrimination and sensitivity. Where failure of a protective relay in the system of one entity has substantial impact on the system from which power is drawn by it, it shall connect an additional protection as standby. The entity supplying power to another entity shall provide back-up protection to the system which receives power.

(ii) Protection coordination shall be done at State level by STU in consultation with RPC. Each entity shall develop protection manuals conforming to various standards for the reference and use of its personnel in consultation with STU. The System Fault Dependability Index shall be as stipulated in CEA (Grid Standards) for the systems of all entities.

(iii) Over current, short circuit, earth fault over voltage and other types of protection systems are generally required to be provided by all Licensees and other agencies connected to the Grid. These protective systems are essentially required for the quick isolation of faulty equipments, lines and UG Cables and protection of the network and its healthy equipments and lines and UG cables from the severe impact of the fault, with the appropriate reliability, sensitivity and selectivity.

### **(b ) Fault clearance Time**

i. The fault clearance time, for a three phase fault (close to the bus-bars) on agencies equipment directly connected to STS and for a three phase fault (close to the bus-bars) on STS connected to agencies equipment, shall not be more than:

a) 100 milli seconds (ms) for 400 kV and above

b) 160 milli seconds (ms) for 220 kV & 110 kV

ii. Back-up protection shall be provided for required isolation / protection

in the event of failure of the primary protection systems provided to meet the above fault clearance time requirements. If a Generating Unit is connected to the STS directly, it shall withstand, until clearing of the fault by back-up protection on the STS side.

- iii.* All agencies connected to the STS shall provide protection systems as specified in the connection agreement.

#### **(c) Generating Unit Requirements**

The guidelines mentioned in the "Manual on protection of Generators, Generator Transformers, and 220 kV and 400 kV networks" vide publication No: 274 of CBIP shall be kept in view. All Generating Units and associated electrical equipments connected to the Transmission System shall be protected by adequate protection so that the Transmission System does not suffer due to any disturbance originating from the Generating Unit. The generator protection schemes shall cover at least differential protection, back up protection, stator earth fault protection, field ground/field failure protection (not applicable to brush-less excitation system), negative sequence protection, under frequency, over flux protection, back-up impedance protection and pole slipping protection (applicable to units above 200MW), loss of field protection, reverse power protection etc.

#### **(d) Transmission System Requirements:**

All HV lines taking off from a power station or a sub-station shall have appropriate over voltage protection and distance protection and back up protection schemes. The STU shall notify the users of any change in its policy on protection from time to time.

**i) 400 kV Lines / UG Cables:** Two independent protection systems (Main I & II Protection) with separate DC Battery supply shall be arranged. Main-I Protection shall be preferably with three-zone static non-switched numerical distance protection with appropriate carrier protection and back up protection. Main-II Protection shall be a fast protection scheme using direction comparison or phase comparison carrier relaying scheme. In addition, single

pole tripping and single shot, single pole auto-reclosing after an adjustable

dead time shall be provided.

**ii) 230 kV Lines/UG Cables**

The main protection shall be through three-zone static, non-switched numerical distance protection with suitable carrier protection. The back up will be micro processor based switched distance protection scheme. One pole tripping and single shot single pole auto-reclosing with adjustable dead time shall be provided for both schemes.

**iii) 110 kV and 66 kV lines/UG Cables**

Static/micro processor based distance protection with suitable backup protection shall be provided as the main protection scheme. The back up will be directional three phase over current and earth fault protection scheme.

**iv) General**

For short transmission lines and sub transmission system at or below 33 kV, appropriate protection schemes may be adopted. Relay Panels for the protection of lines of STU taking off from a Generating Station shall be owned and maintained by the STU. Generating Companies shall provide space, connection facility and access to the STU for such purpose.

**v) Generator, Auto and Power Transformers**

All windings of Auto Transformers and Power transformers of 400, 230 and 110 kV class shall be protected by differential relays and REF (Restricted Earth Fault) relays. In addition, there shall be back up time lag over current and earth fault protection. For parallel operation such back up protection shall have directional feature. For protection against heavy short circuits, the over current relays should incorporate a high set instantaneous element. In addition to electrical protection, gas operated relays, winding temperature protection and oil temperature protection shall be provided. For smaller transformers of HV class, differential protection shall be provided for 10 MVA and above along with back up time lag over current and earth fault protection (with directional feature for parallel operations). Transformers of 1.6 MVA and above but less than 10 MVA shall be protected by time lag over current, earth fault and instantaneous REF relays. In addition, all transformers of 1.6 MVA and above shall be provided with gas-operated relays, winding temperature protection and oil temperature protection.

**vi) Bus bar protection**

Suitable (high impedance) bus bar protection shall be provided for the speedy clearance of bus faults at all the generating stations and 400 kV and 230 kV Transmission substations.

**vii) Over voltage protection**

There shall be proper “Insulation Coordination” studies before implementing the over voltage protection scheme. All the operating equipments, lines and UG cables shall be protected against direct lightning strokes by the use of masts / ground wires. In respect of protection against system generated surges (switching surges) and indirect lightning strokes/ back flash-overs, co-ordinated protective gaps and Metal Oxide Arresters (Gapless Arresters) shall be provided. These protective gapless arresters shall be placed at the entry point of OH lines/Under Ground Cable, at the power/ substation (Line Entrance Arrestors) and at a location very close to Auto/Power Transformers and other protected equipments including shunt capacitor banks. Gapless surge diverters shall be provided at the interface of OH line – UG cable in a composite circuit and also its entry at the power station/ substation. To the extent possible, the mixing up of gapped and gapless arresters shall be avoided. Gapless arresters should not be placed on the LV side of a Auto/Power Transformer, when a gapped surge diverter already exists on its HV side. When HV lines (110 kV or 66 kV) are used for feeding lower voltage substations (33, 22 and 11 kV) after its degradation, its insulation level should be brought down to the level required by the substations fed i.e derated HV lines should not be employed directly for feeding lower voltage substations. All power system equipments should withstand twice its rated power frequency voltage for one minute so as to withstand the rigors of temporary over voltages generated in the systems, as a consequence of faults.

**(18) Protection against environmental contamination**

STU and other agencies connected to the Grid shall take appropriate protective measures against the outage /tripping of lines and equipments triggered by environmental pollution especially at locations exposed to Saline Pollution, Industrial Pollution, Coal-fired Thermal Power Station, Chemical and Cement Dust Pollution or a combination of these contaminations.

## CHAPTER 7

### Requirements in Grid Operation

**7. Introduction:** - (1) In order to ensure the integrated operation of the State Electricity Grid and to enhance the overall operational economy and reliability of the electric power network spread over the entire State, the following operation guidelines have been specified. It covers the real time operation of the State Electricity Grid with all its interconnections to the neighboring State Grids. It applies to all the constituents of the State Electricity System, STU, SLDC, CTU, RLDC, Generators, IPPs and other agencies who are connected to the Grid. It also applies to the agencies who intent / plan to generate, transmit and distribute the electrical energy and become a constituent of the State Electricity Grid.

**(2) Basic Policy:** The primary objective of integrated operation of the State Grid is to enhance the overall operational economy and reliability of the entire electric power network spread over the geographical area of the State. The real time operation of the State Grid shall be supervised from the State Load Despatch Centre (SLDC). The roles of SLDC and STU shall be in accordance with the provisions of Act 2003. All State entities shall comply with these operation guidelines and coordinate with each other, for deriving maximum benefits from the integrated operation and for equitable sharing of obligations. A set of detailed internal operating procedures for the State Grid shall be developed and maintained by the SLDC in consultation with the STU and other State entities and shall be consistent with TNEGC and IEGC. The control rooms of the SLDC, all SSLDCs, Power Plants, EHV and HV sub-stations and any other control centers of all State entities shall be controlled round the clock and manned by trained and qualified personnel wherever necessary. The SLDC shall develop methodologies / mechanisms for daily /\_weekly / monthly / yearly demand estimation (MW, MVA<sub>r</sub> and MWh) for operational purposes. The data for the estimation shall also include load shedding, power cuts etc., SLDCs shall also maintain historical database for demand estimation. The demand estimates are to enable the SLDC to conduct system studies for operational planning purposes.

**(3) System Security Aspects:**

(i). The Tamil Nadu Electricity Grid shall be operated as a synchronized system. All State entities shall operate their respective power systems and power stations in synchronism with the Grid. Appropriate security standard will be adopted in the operation of the system. Reliability criteria will also be adopted.

(ii) No element/part of the Grid shall be deliberately isolated from the rest of the State Grid or islanded except:

- ⌚ under an emergency, and conditions in which such isolation would prevent a total Grid collapse and / or enable early restoration of power supply,
- ⌚ when serious damage to a costly equipment is imminent and such isolation would prevent it,
- ⌚ when such isolation is specifically directed by SLDC or with specific prior approval from SLDC

Complete re-synchronization of the Grid shall be restored as soon as the normal conditions are restored. The restoration process shall be supervised by SLDC, as per the approved operating procedures separately formulated.

(iii). The list of such important Grid link/elements on which the above stipulations apply shall be prepared and be available at SLDC / SSLDCs. In case of opening / removal of any important element of the Grid under an emergency situation, the same shall be communicated to SLDC at the earliest possible time after the event.

(iv). Any tripping, whether manual or automatic, of any of the above elements of State Grid shall be precisely intimated by the concerned entities to SLDC as soon as possible, say within ten minutes of the event. The reason (to the extent determined) and the likely time of restoration shall also be intimated. All reasonable attempts shall be made for the elements' restoration as soon as possible.

(v). All generating units, which are synchronized with the Grid, irrespective of their ownership, type and size, shall have their governors in normal, preferably



at free-governor mode at all times. If any generator of over 50 MW rating is required to be operated without its governor in normal operation, the

SLDC shall be immediately advised about the reason and duration of such operation. All governors shall have a droop between 3 % and 6 % for thermal and 0 to 10 % for hydro generators.

**(vi).** Facilities available with load limiters, Automatic Turbine Run up System (ATRS), turbine supervisory control, coordinated control system, etc., shall not be used to suppress the normal governor action in any manner. No dead bands and / or time delays shall be deliberately introduced.

**(vii).** All generating units, operating at / up to 100% of their Maximum Continuous Rating (MCR) shall normally be capable of (and shall not in any way be prevented from) instantaneously picking up 5% of extra load and sustain the increase for a minimum of 5 minutes when frequency falls due to a system contingency. The generating units operating at above 100% of their MCR shall be capable of (and shall not be prevented from) going at least up to 105% of their MCR when frequency falls suddenly. After an increase in generation as above, a generating unit may ramp back to the original level at a rate of about one percent (1%) per minute, in case continued operation at the increased level is not sustainable. Any generating unit of over fifty (50) MW size, not complying with the above requirement, shall be kept in operation (synchronized with the State Grid) only after obtaining the permission of SLDC. However, the entity can make up the corresponding shortfall in spinning reserve by maintaining an extra spinning reserve on the other generating units of the entity.

**(viii).** The recommended rate for changing the governor setting, i.e. supplementary control for increasing or decreasing the output (generation level) for all generating units, irrespective of their type and size, would be one (1.0) per cent per minute or as per manufacturer's limits. However, if frequency falls below 49.5 Hz, all partly loaded generating units shall pick up additional load at a faster rate, according to their capability.

**(ix).** Except under an emergency, or to prevent an imminent damage to

personnel and equipment, no entity shall suddenly reduce his generating unit output by more than one hundred (100) MW without prior intimation to and consent of the SLDC, particularly when frequency is falling or is below 49.0. Similarly, no entity shall cause sudden increase in its load by more than one hundred (100) MW without prior intimation to and consent of the SLDC.

**(x).** All generating units shall normally have their Automatic Voltage Regulators (AVR) in operation, with appropriate settings. In particular, if a generating unit of over fifty (50) MW size is required to be operated without its AVR in service, the SLDC shall be immediately intimated about the reason and duration, and its permission obtained. Power System Stabilizers (PSS) in AVRs of generating units (wherever provided), shall be got properly tuned by the respective generating unit owner as per a plan prepared for the purpose by the STU from time to time. STU will be allowed to carry out checking of PSS and suggests further tuning, wherever considered necessary.

**(xi).** Provision of protections and relay settings shall be coordinated periodically throughout the State Grid, as per a plan to be separately finalized by the STU in coordination with all entities.

**(xii).** All entities shall put in all possible efforts to ensure that the Grid is operated within the frequency limits prescribed by the implementation of Availability Based Tariff (ABT) i.e. frequency always remains within the 49.0 – 50.5 Hz band.

**(xiii).** All State entities shall provide automatic under-frequency load shedding, based on the operation of  $df/dt$  or constant frequency setting relay in their respective systems, to arrest frequency decline that could result in a collapse / disintegration of the Grid, as per the plan separately finalised by SLDC in consultation with STU, and shall ensure its effective application to prevent cascaded tripping of generating units in case of any contingency. All entities shall ensure that the under-frequency load shedding / islanding schemes are functional and no under-frequency relay is by-passed or removed without prior consent of SLDC.

**(xiv)** Procedures shall be developed by SLDC in consultation with STU, to

recover from partial / total collapse of the Grid and periodically updated in accordance with the requirements given under Code 7 (5) (f). These procedures shall be followed by all the entities to ensure consistent, reliable and quick restoration.

**(xv)** Each entity shall provide adequate and reliable communication facility internally and with other entities / SLDC to ensure exchange of data / information necessary to maintain reliability and security of the Grid.

Wherever possible, redundancy and alternate path shall be maintained for communication along important routes, e.g. SLDCs to SSLDCs and generating stations.

**(xvi)**. The entities shall send information / data including disturbance recorder / sequential even recorder output etc., to SLDC for purpose of analysis of any Grid disturbance / event. No State entity shall block any data/ information required by the SLDC for maintaining reliability and security of the Grid and for analysis of an event.

**(xvii)**. Only authorized persons as certified by STU can give/take line clear on Grid equipment and lines for maintenance/fault rectification works. For carrying out erection/repair in the circuit above 230 kV the competent person should have a minimum operating experience of one year.

**(xviii)**. Before undertaking hot line working/hot line washing of the insulators connected with Grid equipment, advance information should be given to SLDC and other operating personnel concerned.

**(xix)** All entities shall put in all possible efforts to ensure that the Grid voltage always remains within the following operating range.

<u>Nominal</u>	<u>Maximum</u>	<u>Minimum</u>
Voltage in (kV rms)		
400	420	360
230	255	210
110	120	100

**(xx)**.The steady state and transient stability limits of the Grid should be communicated periodically.

**(xxi)**. There should be adequate spinning reserve in the system

(xxii). The STU should provide power for maintenance, short term and emergency to the IPPs and other non utility generators in accordance with the connection agreement entered into.

#### **(4) Demand Control**

Demand control is concerned with the provisions to be made by SLDC to ensure the reduction of demand in the event of insufficient generating capacity, and transfers from external interconnections being not available to meet demand, or in the event of breakdown or operating problems (such as

frequency, voltage levels or thermal overloads) on any part of the Grid.

Towards this end the following requirements shall be complied with:

- i. Power drawing entities shall endeavor to restrict their net drawal from the Grid to within their respective drawal schedules whenever the system frequency is below 49.5 Hz. When the frequency falls below 49.0 Hz., requisite load shedding (manual) shall be carried out to curtail the over drawal. Such load shedding shall be pre planned for each level of under frequency.
- ii. Further, in case of certain contingencies and / or threat to system security, the SLDC may direct the SSLDCs and other sub stations to decrease its drawal by a certain quantum. Such directions shall immediately be acted upon.
- iii. Each distribution licensee shall make arrangements that will enable manual demand disconnection to take place, as instructed by the SLDC /SSLDC, under normal and / or contingent conditions. The measures taken to reduce the entities' drawal from the Grid shall not be withdrawn as long as the frequency / voltage remains at a low level, unless specifically permitted by the SLDC / SSLDC.

#### **(5) Operational Liaison**

**(a) Operations and events on the State Grid:** Before any operation is carried out on the State Grid, the SLDC will inform each participating entity,

whose system may, or will, experience an operational effect, and give details of the operation to be carried out. Immediately following an event in the State Grid, the SLDC will inform each State entity, whose system may, or will, experience an operational effect following the event and give details of what has happened in the event but not the reasons why.

**(b) Operations and events on an entity's system:** Before any operation is carried out on an entity system, the entity will inform the SLDC, in case the State Grid may, or will, experience an operational effect, and give details of the operation to be carried out. Immediately following an event on an entity system, the entity will inform the SLDC, in case the State Grid may, or will, experience an operational effect following the event, and give details of what has happened in the event but not the reasons why.

**(c) Periodic Reporting:** A weekly report shall be issued by SLDC to all entities of the State and STU and shall cover the performance of the State Grid for the previous week. The weekly report shall contain the following:

- i. Frequency profile showing the maximum and minimum frequency recorded daily and daily frequency variation index (FVI)
- ii. Voltage profile of selected substations.
- iii. Major Generation and Transmission outages and constraints.
- iv. Instances of persistent/significant non-compliance of TNEGC

The SLDC shall also prepare a quarterly report, which shall bring out the system constraints, reasons for not meeting the requirements, if any, of security standards and quality of service, along with details of various actions taken by different agencies, and the agencies responsible for causing the constraints.

**(d) Outage Planning:** It is assumed that the list of elements of the Grid as per Annexure C-1 and Annexure C-2 covered under these requirements shall be prepared and be available with SLDC for the proper implementation of the outage planning exercises. The objective of outage planning are :

- ☐ To produce a coordinated generation outage programme for the State Grid, considering all the available resources and taking into account

transmission constraints, as well as irrigational requirements.

- To minimize surplus or deficits, if any, in the system requirement of power and energy and help operate the system within Security Standards.
- To optimize the transmission outages of the elements of the State Grid without adversely affecting the Grid operation but taking into account the generation outage schedule, outages of constituent systems and maintaining system security standards.

Outage planning is prepared in advance for the current year and reviewed during the year on quarterly and monthly basis.

**(e) Outage Planning Process**

- i. SLDC shall be responsible for analyzing the outage schedule given by all State constituents, preparing a draft annual outage schedule and

finalization of the annual outage plan for the following financial year by 31st January of each year

- ii The STU, the IPPs, Generating Companies and Independent Private Transmission Companies (IPTCs) shall provide SLDC their proposed outage programs in writing for the next financial year by 30<sup>th</sup> November of each year. These shall contain identification of each generating unit / line / ICT, the preferred date for each outage and its duration and where there is flexibility, the earliest start date and latest finishing date.
- iii. SLDC shall then come out with a draft outage programme for next financial year by 31<sup>st</sup> December of each year for the State Grid taking into account the available resources in an optimal manner and to maintain security standards. This will be done after carrying out necessary system studies and, if necessary, the outage programmes shall be rescheduled. Adequate balance between generation and load to be ensured while finalizing outage programmes.
- iv. The final outage plan shall be intimated to all entities for

implementation latest by 31<sup>st</sup> January of each year or by such earlier date as may be mutually decided by STU/SLDC.

- v. The above outage plan shall be reviewed by SLDC / STU on quarterly and monthly basis in coordination with all parties concerned.
- vi. In case of emergency in the system viz., loss of generation, break down of transmission line affecting the system, Grid disturbance, system isolation, SLDC, may conduct studies again before clearance of the planned outage.
- vii. SLDC is authorized to defer the planned outage in case of any of the following:
  - (a) Major Grid disturbance
  - (b) System isolation
  - ( c) Black out in a constituent system
  - (d) Any other event in the system that may have an adverse impact on the system security by the proposed outage.
- viii. Each State entity shall obtain the final approval from SLDC prior to availing an outage.
- ix. The detailed generation and transmission outage programmes shall be based on the latest annual outage plan (with all adjustments made to date).
- x. In cases involving non-reconciliation of the planned outages, TNERC shall be consulted for orders

**(f) Recovery Procedures**

- i. Restoration system presents unique challenges to the system operators since the transmission system topologies will be quite different from the well integrated system during the normal condition
- ii. Detailed plans and procedures for restoration after partial / total black out of each constituent's system within the State, will be finalised by the concerned entity in coordination with the SLDC. The procedure will be reviewed, confirmed and / or revised once every year.
- iii. List of generating stations with black start facility, inter-state, synchronizing points and essential loads to be restored on priority,

should be prepared and be available with SLDC.

- iv. The SLDC is authorized during the restoration process following a black out, to operate with reduced security standards for voltage and frequency as necessary in order to achieve the fastest possible recovery of the Grid.

**(g) Event information**

- i. This requirement of reporting procedures in writing of reportable events in the system to all State entities and SLDC needs to be specified. The objective is to define the incidents to be reported, the reporting route to be followed and information to be supplied to ensure consistent approach to the reporting of incidents / events. The incident reporting shall be as per format specified in Annexure C-3.
- ii. Reportable Events: Any of the following events require reporting by SLDC / State Entities.
  - ⌚ Violation of security standards
  - ⌚ Grid Indiscipline
  - ⌚ Non-compliance of SLDC's instructions
  
  - ⌚ System islanding / system black out
  - ⌚ State black out / partial system black out
  - ⌚ Protection failure in any element of STS or ISTS
  - ⌚ System instability
  - ⌚ Tripping of any element of the State Grid.
- iv. Reporting Procedure: In the case of an event, which was initially reported by a State entity to SLDC orally, the entity will give a written report to SLDC. In the case of an event, which was initially reported by SLDC to an entity orally, the SLDC will give a written weekly report to the entity in accordance with this section.
- v. A written report shall be sent to SLDC or a State entity, as the case may be, and will confirm the oral notification together with the following details of the event:
  - ☐ Time and date of event



- ☐ Location
- ☐ Plant and / or equipment directly involved
- ☐ Narration of event
- ☐ Demand and / or Generation (MW) interrupted & duration
- ☐ All relevant system data including copies of records of all recording instruments including Disturbance Recorder, Event Logger, DAS etc.,
- ☐ Sequence of trippings with time
- ☐ Details of relay flags
- ☐ Remedial measures

**(i) Accident Reporting:** Reporting of accidents shall be in accordance with the Section 161 of Act 2003 in both fatal and non-fatal accidents.

## CHAPTER 8

### Scheduling and Despatch

**8 Scheduling and Despatch-** (1) This chapter sets out the demarcation of responsibilities between various entities and SLDC in scheduling and despatch of load in the Grid and procedure for reactive power and voltage control mechanisms

(2) Certain procedures are to be adopted while scheduling of generation by State Sector Generating Stations (SSGS), open access customers, share from central sector generation and other licensees for scheduling the drawal by the beneficiaries of the State on a daily basis. The procedure for submission of capability by each generating company and submission of drawal schedule by each beneficiary / distribution licensee of the State is intended to enable SLDC to prepare the generation and drawal schedule connected with system operation. It also provides methodology for issuing real time despatch / drawal instructions and rescheduling, if required, along with the commercial arrangement for the deviations from schedules.

(3) The following specific points would be taken into consideration while preparing and finalizing the schedules:

<sup>1</sup>[(a) SLDC will issue despatch instruction required to regulate all generation and imports from SSGS, IPPs, CPPs and Generators based on renewable sources of energy according to the hourly day ahead generation schedule, unless rescheduling is required due to unforeseen circumstances. Generation from wind mills shall be scheduled as per the Commission's Intra State Availability Based Tariff (ABT) order or regulation in force.]

(b) SLDC shall regulate the overall State generation in such a manner that generation from following types of power stations where energy potential, if

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<sup>1</sup> Substituted as per Commission's Notification No.TNERC/GC/13-2,dated 12-09-2013 (w.e.f 02-10-2013) which before substitution stood as under:

(a) SLDC will issue despatch instruction required to regulate all generation and imports from SSGS, IPPs, CPPs and NCES (excluding windmills) according to the hourly day ahead generation schedule, unless rescheduling is required due to unforeseen circumstances.

unutilized, goes, as a waste shall not be curtailed

- ☐ Run of river or canal based hydro stations.
- ☐ Hydro-station where water level is at peak reservoir level or expected to touch peak reservoir level (as per inflows).
- ☐ Wind Power Stations and Renewable Energy Sources
- ☐ Nuclear Power Stations.

(c) Despatch instructions shall be in Annexure format D1. These instructions will recognize declared availability and other parameters that have been made available by the generators to SLDC. These instructions shall include time, power station, generating units, (total export in case of CPP) and name of operators sending and receiving the same.

(d) Standard despatch instructions may include:

- ☐ To switch a generator into or out of service.
- ☐ Details of reserve to be carried on a unit.
- ☐ To increase or decrease MVAR generation to assist with voltage profile as per unit capability at that time
- ☐ To begin pre-planned Black Start procedures.
- ☐ To hold spinning reserve.
- ☐ To hold generating units on standby.
- ☐ To control MW/MVAR drawal by beneficiaries / distribution licensees.

#### **(4) Demarcation of responsibilities**

i. The SLDC shall have the total responsibility for:

- ☐ <sup>1</sup>[Scheduling or despatching the generation of all agencies including the Utilities, IPPs, Generators based on renewable sources of energy, Co-Generators, etc. connected to the Grid.]
- ☐ Regulating the demand of the beneficiaries / Distribution licensee in the State.

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<sup>1</sup> Substituted as per Commission's Notification No.TNERC/GC/13-2,dated 12-09-2013 (w.e.f 02-10-2013) which before substitution stood as under:  
Scheduling / despatching the generation of all agencies including the Utilities, IPPs, NCES (excluding windmills), Co-Generators, etc. connected to the Grid.

- Regulating the drawal from the central generating stations and regulating the bilateral interchanges, if there is any.
- Adopting merit order despatch, ABT procedures and free governor operation at power stations wherever possible.
- ii. SLDC shall always endeavor to restrict its net drawal from central generating stations and other generating stations within their respective drawal schedules and the guidelines of ABT.
- iii. The generating stations shall be responsible for power generation generally according to the daily schedule provided to them by the SLDC on the basis of the drawal schedules received from the beneficiaries / distribution licensee and also in accordance with Merit Order Despatch and Connectivity Agreements. However, the generating stations may deviate from the given schedules depending on the plant and system conditions with the prior approval from SLDC.  

Provided that when, the frequency is higher than 50.5 Hz, the actual net injection shall not exceed the scheduled despatch for that hour. Also while the frequency is above 50.5 Hz, the generating stations may (at their discretion) back down without waiting for the advice from SLDC. When the frequency falls below 49.5 Hz, the generation at all stations (except those on peaking duty) shall be maximized, at least up to the level, which can be sustained, without waiting for the advice from SLDC. Notwithstanding the above, the SLDC may direct the generating stations / beneficiaries to increase / decrease their generation / drawal in case of contingencies e.g. overloading of lines / transformers, abnormal voltages, threat to system security. Such directions shall immediately be acted upon.
- iv. For all outages of generation and transmission system, which may have effect on the State Grid, all entities shall co-operate with each other and co-ordinate their actions as per the approved

procedures separately. In particular, outages requiring restriction of generation which a beneficiary / distribution licensee can receive

(and which may have a commercial implication) shall be planned carefully to achieve the best optimization. The entities shall furnish to the SLDC all requisite information for billing purposes.

- (v) All entities shall abide by the concept of frequency linked load despatch and pricing of deviations from schedule i.e. unscheduled interchanges. All generating units of the entities and the licensees shall normally be operated according to the standing frequency linked load despatch guidelines issued by the SLDC to the extent possible, unless otherwise advised by the SLDC.
- (vi) The STU shall opt to install special energy meters on all inter connections between the State entities and other identified points for recording of actual net MWh interchanges and MVarh drawals. The SLDC shall be responsible for computation of actual net MWh injection of each generating stations and actual net drawal of each beneficiary, 15 minute-wise, based on the above meter readings. The SLDC shall be responsible for Intra-State Energy Accounting as per the scheme approved by STU, and all entities shall extend the necessary assistance to the STU personnel in timely collection of metered data. The generators shall furnish the data as per Annexure D-2.
- (vii) The STU will undertake necessary Energy Audits in the Grid.

#### **(5) Scheduling and Despatch procedure**

- (i) The generation scheduling and despatch data shall be as per format in Annexure D-1. The procedure has been devised taking into account the ABT (Available Based Tariff) regime.
- (ii) Each day starting from 00.00 hours will be divided into 96 time blocks of 15 minutes intervals.
- (iii) By 10.00 a.m. every day all the generating stations in the States shall furnish to the SLDC, the station wise ex-power plant MW and MWh capability foreseen for each time block of the next day i.e. from 00.00 hours

to 24.00 hours of the following day.

(iv) The SSLDC shall inform the SLDC the MW and MWh requirements for different hours for the next day by 11.00 AM. The SLDC shall receive information from RLDC regarding the MW and MWh entitlements from Central Generating stations for different hours and

blocks for the next day by 11.00 AM.

(v) The above information of the foreseen capabilities of the State generating stations received from SSLDC and entitlements from CGS given by RLDC shall be compiled by the SLDC everyday for the next day, and advised to all SSLDC by 12 AM.

(vi) The SSLDCs shall review it vis-à-vis their foreseen load pattern based on the drawal schedule of all the beneficiaries/ distribution licensees and shall advise the SLDC by 1.00 PM, the sub station wise MW and MWh requirements foreseen for different hours for the next day i.e., from 00.00 hours to 2400 hours of following day to the SLDC.

(vii) The SLDC shall review the foreseen load pattern and the generation capacity available including bilateral exchanges if any, and advise the RLDC by 3.00 PM. their drawal schedule for the next day for each of the generating stations in which they have shares and the other generating companies in the State, their despatch schedule.

(viii) By 5 PM each day, the RLDC shall convey the ex-power plant “despatch schedule” to each of the Inter State Generating Stations, and “net drawal schedule” to each SLDC / beneficiary in MW for different hours, for the next day.

(ix) By 6 PM each day, the SLDC shall convey the ex-power plant “despatch schedule” to each of the State generating stations and “net drawal schedule” to each of the State beneficiary / distribution licensee through SSLDC in MW for different hours, for the next day.

(x) The summation of the station-wise ex-power plant generation schedules for all generating stations after deducting the apportioned transmission losses (estimated), shall constitute the State beneficiaries / distribution

licensees drawal schedule

(xi) While finalizing the above daily generation schedules for the generating stations, the SLDC shall ensure that the same are operationally reasonable, particularly in terms of ramping-up /ramping-down rates and the ratio between minimum and maximum generation levels. Additional charges payable to the generating companies on account of such plant operations requiring oil support and / or unit shut-down / start-up shall also be considered by SLDC.

(xii) The generating companies in the State may inform through SSLDC any modification / changes to be made in station wise drawal, schedule / foreseen capabilities, if any, to SLDC by 9.00 PM.

(xiii) Based on the surplus, if any, the SLDC may arrange for bi-lateral exchanges. Such arrangement shall be intimated to RLDC by the SLDC by 10.00 PM.

(xiv)The SLDC shall receive the final 'drawal schedule' against Central allocation along with bilateral exchange of power, if any by 11.00 PM.

(xv) The SLDC shall inform the final drawal schedule for the next day to SSLDC by 11.15 PM

(xvi)The SSLDC shall, in turn, inform the beneficiaries / distribution licensees the drawal schedule for the next day by 11.30 PM and it is freezed.

(xvii) In the event of any contingency, SLDC will revise the schedules on the basis of revised declared capability by the generators. The revised schedules will become effective from the 4th time block, counting the time block in which the revision is advised by the generator to be the first one. The revised declared capability will also become effective from the 4th time block.

(xviii) In the event of bottleneck in evacuation of power due to any constraint, outage, failure or limitation in the transmission system, associated switchyard and substations owned by STU (as certified by SLDC) necessitating reduction in generation, SLDC will revise the schedules which will become effective from the 4th time block, counting the time block in which the bottleneck in evacuation of power has taken place to be the first one. Also, during the first, second and third time blocks of such an event, the scheduled generation of the station will be deemed to have been revised to be equal to actual generation and also the scheduled

drawals of the beneficiaries / distribution licensees will be deemed to have been revised to be equal to their actual draws.

(xix) In case of any grid disturbance, scheduled generation of all the generating stations and scheduled drawal of all the beneficiaries / distribution licensees shall be deemed to have been revised to be equal to their actual generation/drawal for all the time blocks affected by the Grid Disturbance. Certification of Grid Disturbance and its duration shall be done by SLDC.

(xx) Revision of declared capability by generator(s) and requisition by beneficiaries / distribution licensees for the remaining period of the day will also be permitted with advance notice. Revised schedules/declared capability in such cases shall become effective from the 6th time block, counting the time block in which the request for revision has been received in SLDC to be the first one.

(xxi) If, at any point of time, SLDC observes that there is need for revision of the schedules in the interest of better system operation, it may do so on its own and in such cases, the revised schedules shall become effective from the 4<sup>th</sup> time block, counting the time block in which the revised schedule is issued by SLDC to be the first one. To discourage frivolous revisions, SLDC may, at its sole discretion, refuse to accept schedule/capability changes of less than 50 MW

(xxii) Generation schedules and drawal schedules issued/revised by SLDC shall become effective from designated time block irrespective of communication success.

(xxiii) For any revision of scheduled generation, including post facto deemed revision, there shall be a corresponding revision of scheduled draws of the beneficiaries.



(xxiv) While finalizing the drawal and despatch schedules as above, the SLDC and SSLDCs shall also check that the resulting power flows do not give rise to any transmission constraint. In case any impermissible constraints are foreseen, the SLDC shall moderate the schedules to the required extent, under intimation to the concerned Users. Any changes in the scheduled quantum of power which are too fast or involve unacceptably large steps, may be converted into suitable ramps by the SLDC.

(xxv) On completion of the operating day, by 24.00 hours, the schedule finally implemented during the day (taking into account all before-the-fact changes) in despatch schedule of generating stations and drawal schedule of the Users shall be issued by SLDC. This schedule shall be the datum for commercial accounting. The average ex-bus capability for each of the generating stations shall also be worked out based on all before-the-fact advice to SLDC.

(xxvi) The SLDC and the SSLDCs shall properly document all the above information i.e. station-wise foreseen ex-power plant capabilities advised by the generating stations, the drawal schedule indented by the beneficiaries / distribution licensees, all schedules issued by the SLDC / SSLDCs, and all revisions / updating of the above.

(xxvii) The procedure for scheduling carried out by SLDC/ SSLDCs, shall be open to all entities for any checking / verification. In case any mistake / omission is detected, the SLDC and SSLDCs shall forthwith make a complete check and rectify the same.

(xxviii) A procedure for recording the communication regarding changes to schedules duly taking into account the time factor shall be evolved by STU.

## **(6) Reactive Power and Voltage Control**

- i) Regarding VAR drawal / absorption from Inter State Grid, the SLDC has to follow IEGC.
- ii) All the end users, distribution licensees, transmission licensees and STU are expected to provide local VAR compensation such that they do not draw VARs from the HV Grid. VAR compensation has to commence in the following order.

- ☐ Consumer end
  - ☐ Distribution transformer end
  - ☐ At the substations end of 11 / 22 KV distribution feeders
  - ☐ Substations
  - ☐ Generating stations
- iii) While tap changing on all 400 / 230 KV ICTs of CTU shall be done as per the instruction of RLDC, tap changing of other ICTs shall be done as per the instructions of SLDC and SSLDCs.
- iv) The generating stations shall generate / absorb reactive power as per instructions of SLDC, within the capability limits of the respective generating units
- v) Notwithstanding the above, SLDC may direct a beneficiary to curtail its VAR drawal/injection in case the security of Grid or safety of any equipment is endangered.
- vi) In general, the beneficiaries shall endeavor to minimize the VAR drawal at an interchange point when the voltage at that point is below 95% of rated, and shall not return VARs when the voltage is above 105%.

## CHAPTER 9

### Commercial Issues and Implementation

**9. Commercial Issues:** - (1) In regard to central sector allocation of power, the CERC has full jurisdiction to determine the tariff and other commercial issues.

(2) Subject to any scheme of tariff, as may be approved by the TNERC, the bulk power supply agreements between the constituents shall duly specify the relationship between capacity charges to be paid and plant availability, and energy charge rates (in rupees per MWh) for each station, in ex-power plants. Regarding the other commercial issues, the following are applicable:

- i. The transmission charges and other open access charges shall be paid to the respective constituents as per the TNERC regulations issued time to time.
- ii. The summation of the station-wise ex-power plant drawal schedules for all generating stations after deducting the apportioned transmission losses (estimated), shall constitute the State beneficiaries / distribution licensees drawal schedule which in turn shall be used for billing.
- iii. In case of a deviation from the generation schedule, the frequency-linked Unscheduled Interchanges Charges (UI charges) shall be applicable for such deviations as may be approved by the CERC/TNERC from time to time and dependent on average frequency for the concerned 15-minute block.
- iv. Energy Accounts shall be prepared by the SLDC on a monthly basis. The beneficiaries / distribution licensees as per provision in the respective PPAs shall pay these bills.
- v. The SLDC shall in parallel issue the weekly bills for UI charges and Reactive Energy Charges to all constituents by Tuesday for the seven-day period ending on the penultimate Sunday mid night. These bills shall have a higher priority, and the generating stations and beneficiaries / distribution licensees shall pay the billed amounts within 10 days of billing date.

- vi. If payments against the above bills are delayed beyond 10 days, the defaulting entities shall have to pay a simple interest rate of 0.04 percent for each day of delay. The interest so collected shall be paid to the entities who have to receive the payment which got delayed.
- vii. SLDC shall periodically review the actual deviation from the generation and net drawal schedules to check whether any of the entities is indulging in unfair gaming. In case any such practice is detected the matter shall be reported to the STU for further investigation / action.
- viii. All energy accounting calculation carried out by SLDC shall be open to all users for any checking / verification. In case any mistake is detected, the SLDC shall forthwith make a complete check and rectify the mistake.
- ix. Energy accounting (including billing of UI charges and reactive energy charges) is one of the most important and critical function of SLDC. Any flaw in the energy accounting will lead to serious financial consequences. Hence, a committee to be designated by the Commission will conduct annual audit on the accounting and technical performance of SLDC and present a report to the Commission before the end of May every year for the previous financial year.
- x. Regarding VAR drawal / absorption from Inter State Grid, the SLDC has to follow IEGC. The charge/payment for VARs, shall be at a nominal paise / kVARh rate as may be approved by CERC / TNERC from time to time, and will be between the beneficiary and the Pool Account and between two beneficiaries. The generating stations shall generate / absorb reactive power as per instructions of SLDC, within the capability limits of the respective generating units. No payments shall be made to the generating companies for such VAR generation / absorption.
- xi. The basic rules for absorption / generation are:
  - ☐ The Beneficiary pays for VAR drawal when voltage at the metering point is below 97%.
  - ☐ The Beneficiary gets paid for VAR return when voltage is below 97%.

- ☐ The Beneficiary gets paid for VAR drawal when voltage is above 103%.
- ☐ The Beneficiary pays for VAR return when voltage is above 103%.

## **Chapter 10**

### **Non-compliance**

**10 Non compliance and disputes-** (1) As stipulated under Section 33 (2), (4) and (5) of the Act, every licensee, generating company, generating station, substation and any other person connected with the operation of the power system shall comply with the directions issued by SLDC. If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the State Grid or in relation to any direction given by SLDC, it shall be referred to the Commission for decision. Pending decision of the Commission the licensee or the generating company shall comply with the directions of the SLDC. TNERC, in turn, after due process, may order the defaulting entity for compliance, failing which it may take penal action and other regulatory measures, which includes termination of connectivity agreement/ de-linking from the Grid etc., through STU/SLDC.

**(2) Non-payment of dues:** In case of non-payment of capacity and energy charges, unscheduled interchange charges, transmission/SLDC charges, etc. by any beneficiary, the affected generating company shall report the matter to the STU. The latter shall verify and take up the defaulting entity for paying up the dues. In case of inadequate response, the STU shall report the same to TNERC. TNERC in turn, after due process, may order the defaulting entity to pay the dues within a certain period, failing which the TNERC may initiate necessary regulatory measures.

## **CHAPTER 11**

### **11.0 Management of Tamil Nadu Electricity Grid Code**

11.1 The Tamil Nadu Electricity Grid Code (TNEGC) has been specified by the Tamil Nadu Electricity Regulatory Commission (TNERC) as per section 86

(1) (h) of the Electricity Act, 2003. Any amendments to TNEGC shall also be specified by TNERC only.

11.2 The TNEGC and its amendments shall be finalized and notified adopting the prescribed procedure followed for regulations issued by TNERC.

11.3 The requests for amendments to / modifications in the TNEGC and for removal of difficulties shall be addressed to Secretary, TNERC, for periodic consideration, consultation and disposal.

11.4 Any dispute or query regarding interpretation of TNEGC may be addressed to Secretary, TNERC and clarification issued by the TNERC shall be taken as final and binding on all concerned.

**Annexure A-1**  
**Planning Data (Generation)**  
(Refer clause 5 (11) (i) )

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The following data are to be made available to the planning wing of STU by all the Agencies and various Users.

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**1. Name of Power Station:**

**2. Station Capacity**

- i. Total Capacity
- ii. Number of units and unit size

**3. Site :** Give location map to scale showing roads, railway lines, transmission lines, rivers , reservoirs

**4. Station type :** Thermal(Coal) / Hydro/ Pumped Hydro/ Nuclear/ GT/ CCGT/Diesel

**4.1 Thermal (Coal) :**

- a) Coal linkage details
- b) Ratings of Boilers, turbines and major auxiliaries
- c) Water sources for station operation
- d) Environmental constraints and clearances
- e) Peaking availability and peaking capability

**4.2 Hydro :**

- a) Site map showing the dam, reservoir area, water conductor system, fore bay, power house etc.,
- b) Information on area submerged, villages submerged, forest and agricultural areas submerged etc.,
- c) Ratings of turbine and other major equipments
- d) Reservoir data and operating table with area capacity curves and unit capability at different heads
- e) Irrigation discharge linkage details
- f) Operating head : max. and min.

**4.3 Nuclear :**

- a) Salient and disclosable details of the plant
- b) Ratings of turbine and other major auxiliaries
- c) Water sources for station operation
- d) Environmental constraints and clearances
- e) Peaking availability and peaking capability



#### **4.4 Gas Turbine / CCGT**

- a) Natural Gas / LNG
- b) Salient details of the GT / CCGT
- c) Ratings of major auxiliaries
- d) Water sources for station operation
- e) Environmental constraints and clearances
- f) Peaking availability and peaking capability

#### **4.5 Diesel Engine:**

- a) Type of DG engine and other salient particulars
- b) Details of cooling system and water sources for operation
- c) Environmental constraints and clearances
- d) Peaking availability and peaking capability

#### **4.6 Captive Power Plants:**

- a) Salient details including the plant capacity

#### **5.0 Generators :**

- a) Type
- b) Rating (MVA)
- c) Terminal voltage (KV)
- d) Speed (RPM)
- e) Inertia constant  $H$  (MW Sec./MVA)
- f) Rated Power Factor
- g) Reactive Power Capability (MVA<sub>r</sub>) in the range 0.95 of leading and 0.85 of lagging
- h) Short Circuit Ratio
- i) Direct axis synchronous reactance (% on MVA)  $X_d$
- j) Direct axis transient reactance(% on MVA)  $X_d'$
- k) Direct axis sub-transient reactance(% on MVA)  $X_d''$
- l) Quadrature axis synchronous reactance (% on MVA)  $X_q$
- m) Quadrature axis transient reactance (% on MVA)  $X_q'$
- n) Quadrature axis sub-transient reactance (% on MVA)  $X_q''$
- o) Direct axis transient open circuit time constant (Sec)  $T'_{do}$
- p) Direct axis sub-transient open circuit time constant(Sec)  $T''_{do}$
- q) Quadrature axis transient open circuit time constant (Sec)  $T'_{qo}$
- r) Quadrature axis sub-transient open circuit time constant (Sec)  $T''_{qo}$
- s) Stator Resistance  $R_a$  (Ohm)
- t) Stator leakage reactance  $X_l$  (Ohm)

- u) Stator time constant (Sec)
- v) Rated Field current (A)
- w) Neutral grounding details
- x) Open Circuit saturation characteristic for various terminal

## **6.0 Generator Transformers:**

- a) Type
- b) Rated capacity (MVA)
- c) Voltage ratio (HV/LV) and vector group
- d) Tap change range (+ % to - %),
- e) On load / off load tap changer
- f) Percentage impedance ( Positive sequence at full load.

## **7.0 Connection to Grid:**

- a) **Point of Connection:** Give single line diagram for the point of connection
- b) In relation to switchgear including circuit breakers, isolators on all circuits connected to the point of connection:
  - i. Rated voltage (kV)
  - ii. Type of Breaker (MOCB/ABCB/SF6)
  - iii. Rated short circuit breaking current (kA) 3 phase
  - iv. Rated short circuit breaking current (kA) 1 phase
  - v. Rated short circuit making current (kA) 3 phase
  - vi. Rated short circuit making current (kA) 1-phase
  - vii. Provisions of auto reclosing with details

## **8.0 Other Details :**

### **8.1 Excitation Control System**

- i. Type of Excitation
- ii. Maximum Field Voltage
- iii. Minimum Field Voltage
- iv. Rated Field Voltage
- v. Details of excitation loop in Block Diagrams showing transfer functions of individual elements using I.E.E.E. symbols.
- vi. Dynamic characteristics of over - excitation limiter
- vii. Dynamic characteristics of under-excitation limiter

### **8.2 Governor system**

- i. Governor average gain (MW/Hz)
- ii. Speeder motor setting range

- iii. Time constant of steam or fuel Governor valve
- iv. Governor valve opening limits.
- v. Governor valve rate limits.
- vi. Time constant of Turbine
- vii. Governor Block Diagram showing transfer functions of individual elements using I.E.E.E. symbols.

### **8.3 Protection and metering:**

- i. Full description including settings for all relays and protection systems installed on the Generating Unit, Generating Unit Transformer, Auxiliary Transformer and electrical motor of major equipments listed, but not limited to.
- ii. Full description including settings for all relays installed on all outgoing feeders from Power Station switchyard, tie circuit breakers, incoming circuit breakers.
- iii. Full description of inter-tripping of Breakers at the point or points of Connection with the Transmission System.
- iv. Most probable fault clearance time for electrical faults on the User's System.
- v. Full description of operational and commercial metering schemes.

### **8.4 Basic Insulation Levels :**

- i. Bus bar
- ii. Switchgear
- iii. Transformer Bushings
- iv. Transformer windings.

**8.5 Surge diverters:** Technical data.  
(gapless and gapped arresters separately)

**8.6 Communication:** Details of equipment installed at points of Connections.

### **8.7 Operational parameters:**

- i. Minimum notice required to synchronize a Generating Unit from De-synchronization.
- ii. Minimum time between synchronizing different Generating Units in a Power Station.
- iii. The minimum block load requirements on synchronizing.
- iv. Time required for synchronizing a Generating Unit:
- v. Maximum Generating Unit loading rates.
- vi. Minimum load.

## **Annexure A-2**

### **Planning Data (Transmission)**

(Refer clause 5 (11)(i))

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The following data are to be made available to the planning wing of STU by all the Agencies and various Users.

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#### **1.0 General**

1.2 Single line diagram of the Transmission System down to 33 kV bus detailing:

- a) Name of Sub-station.
- b) Power Station, connected.
- c) Number and length of circuits.
- d) Interconnecting transformers.
- e) Sub-station bus layouts.
- f) Power transformers.
- g) Reactive compensation equipment.

1.3 Route map of the transmission lines and locations of the sub stations up to 33 kV. The consolidation of the geographical map shall be the responsibility of the respective planning wing of STU

1.4 Sub-station layout diagrams showing:

- a) Bus bar layouts.
- b) Electrical circuitry, lines, cables, transformers, switchgear etc.
- c) Phasing arrangements.
- d) Earthing arrangements.
- e) Switching facilities and interlocking arrangements.
- f) Operating voltages.
- g) Numbering and nomenclature:
  - ☐ Transformers.
  - ☐ Circuits.
  - ☐ Circuit breakers.
  - ☐ Isolating switches.

#### **2.0 Transformer Parameters** (For all transformers)

- i. Rated MVA
- ii. Voltage Ratio
- iii. Vector Group
- iv. Positive sequence reactance (pu on 100 MVA) (max, min. & normal) X1
- v. Positive sequence, resistance (pu on 100 MVA) (max, min. & normal) R1

- vi. Zero sequence reactance (pu on 100 MVA)
- vii. Tap change range (+% to -%) and steps
- viii. Details of Tap changer. (Off load / On load)
- ix. Impedance between HV-MV, MV-LV and HV-LV for three winding trs.
- x. Loading capability of tertiary (if any)
- xi. Grounding impedance in pu (if the neutral of the star is grounded)

### **3.0 Equipment Details** (For all substations)

- i. Circuit Breakers
- ii. Isolating switches
- iii. Current Transformers
- iv. Potential Transformers

### **4.0 Relaying and metering**

- i. Relay protection installed for all transformers and feeders along with their settings and level of co-ordination with other Users.
- ii. Metering Details.

### **5.0 Reactive Compensation Equipment**

- i. Type of equipment (fixed or variable)
- ii. Capacities and/or Inductive rating or its operating range in MVar
- iii. Details of control
- iv. Point of Connection to the System.

### **6.0 Line Parameters** (For all circuits)

- i. Designation of Line.
- ii. Year of commissioning
- iii. Length of line (km)
- iv. Line capacity (thermal and surge impedance limits)
- v. No. of circuits.
- vi. Per Circuit values
  - ☐ Operating voltage (kV)
  - ☐ Positive sequence reactance/ km (pu on 100 MVA )  $X_1$
  - ☐ Positive sequence resistance/ km (pu on 100 MVA )  $R_1$
  - ☐ Positive sequence half line susceptance/ km (pu on 100 MVA )  $B_1$
  - ☐ Zero sequence reactance (pu on 100 MVA )  $X_0$
  - ☐ Zero sequence resistance (pu on 100 MVA)  $R_0$
  - ☐ Zero sequence half line susceptance (pu on 100 MVA)  $B_0$

**Annexure B-1**  
**SITE RESPONSIBILITY SCHEDULE**  
(Refer clause 6 (8) )

Name of Power Station :

Tel. Number:

Fax Number:

Permanent Address:

Site Manager:

Item of Plant / Apparatus	Plant Owner	Responsibility for				Remarks
		Safety	Control	Operation	Maintenance	
..... kV Switchyard						
All equipments Including Busbars						
Feeders						
Generating Units						

## Annexure C-1

### OUTAGE PLANNING- SUB STATION LEVEL DATA

(Refer clause 7 (5) (d) )

To be furnished to the SLDC for each sub station and updated annually or when there is a major change or when specifically required by STU/SLDC

#### A. DEMAND ESTIMATES

Item	Description	submitted by
1	Estimated aggregate annual sales of energy in million units and peak and lean demand in MW & MVAR at each sub station for the period from July of current year to June of next year.	31st March of current year
2	Estimated aggregate monthly sales of energy in million units and peak and lean demand in MW & MVAR at each sub station for the next month.	15th of current month

#### B. ESTIMATES OF LOAD SHEDDING AND DETAILS OF ESSENTIAL LOADS

##### AND PRIORITY OF RESTORATION

1. Details of discrete load blocks that may be shed to comply with emergency requirements .
2. Details of essential loads and the priority as below

No	Priority	Type of Load	Approximate MW	Name of Sub Station

**Annexure C-2**  
**Outage Planning – Generation Data**  
(Refer clause 7 (5) (d) )

To be furnished to the SLDC for each generating station including IPP for every year by the generation wing of TNEB or its successors and the IPPs, CPPs.

**YEAR AHEAD OUTAGE PROGRAMME**

(For the period July to June)

**GENERATOR OUTAGE PROGRAMME.**

Item	Description	Submitted by
1	Identification of Generating Unit.	1st August each year
2	MW which will not be available as a result of Outage	1st August each year
3	Preferred start date and start-time or range of start dates and start times and period of outage.	1st August each year
4	If outages are required to meet statutory requirements then the latest- date by which Outage must be taken.	1st August each year

**YEAR AHEAD RLDC'S OUTAGE PROGRAMME**

(affecting Transmission System )

Item	Description	Submitted by RLDC to SLDC
1	MW which will not be available as a result of Outage from Imports through External Connections.	1st November each year
2	Start-Date and Start-Time and period of Outage.	1st November each year

**THE STU'S OVERALL OUTAGE PROGRAMME**

Item	Description	submitted by
1	Report on proposed Outage programme to RLDC	1st November each year
2	Release of finally agreed Outage plan	1st March each year



**Annexure C-3**  
**INCIDENT REPORTING**  
(refer clause 7 (5) (g) (i))

**FIRST REPORT**

Date:.....

Time:.....

1. Date and time of incident
2. Location of incident
3. Type of incident
4. System parameters before the incident (Voltage, Frequency, Generation, etc.)
5. System parameters after the incident
6. Network configuration before the incident
7. Relay indications received and performance of protection
8. Damage to equipment
9. Supplies interrupted and duration, if applicable
10. Amount of Generation lost, if applicable
11. Estimate of time to return service
12. Cause of incident
13. Any other relevant information and remedial action taken
14. Recommendations for future improvement/repeat incident
15. Name of the Organisation

## Annexure D-1

### GENERATION SCHEDULING DATA

(Refer clause 8(5) )

To be furnished to the SLDC /SSLDC :

	<b>Schedule and Despatch</b>	<b>Submitted by</b>
1	Day ahead hourly MW/MVAr availability (0.00 - 24.00 Hrs) of all Generator Units	10.00 Hrs. every day
2	Day ahead hourly MW import/export from CPP's	do
3	Status of Generating unit Excitation AVR in service (Yes/No)	do
4	Status of Generating Unit Speed Control System Governor	do
5	Spinning Reserve Capability (MW)	do
6	Backing down Capability with / without Oil Support (MW)	do
7	Hydro Reservoir Levels and restrictions	do
8	Generating Units hourly Summation outputs (MW)	do
9	Sub station wise MW and MWh requirements from 00.00 hrs to 24.00 hours of following day to SSLDC	10.00 hrs
10	MW and MWh requirements from 00.00 to 24.00 for Sub Stations covered by each SSLDC to SLDC	11.00 hrs
11	MW and MWh entitlements from CGS and Neyveli Stage 1 for different hours for the next day	11.00 hrs every day
12	Tentative Drawal schedule for the next day by SLDC to RLDC and despatch schedules for all generating stations in the State	15.00 hrs
13	Net Drawal schedules communicated to all beneficiaries, stations and distribution in charges and ex power plant despatch schedule to each ISGS by RLDC.	17.00 hrs
14	State generating companies request for modification if any to SLDC	21.00 hrs
15	SLDC to inform RLDC for any revisions/ bilateral exchanges	22.00 hrs
16	Final drawal schedule against CGS allocation to be informed to SLDC by RLDC	23.00 hrs
17	SLDC to inform the SSLDCs the final drawal schedule	23.15 hrs
18	SSLDCs to inform the drawal schedule to the respective beneficiaries	23.30 hrs

## **Annexure D-2**

### **MONITORING OF GENERATION**

( Refer clause 8 (4) (vi) )

<b>Item</b>	<b>Description</b>	<b>submitted by</b>
1	Generating stations shall provide generation Summation to SLDC in 15 minutes block	Real time basis
2	CPP's shall provide hourly export/ import MW to SLDC in 15 minutes block	Real time
3	Logged readings of Generators to SLDC	As required
4	Detailed report of Generating Unit trippings on Monthly basis	First week of the succeeding month

## **Grid Connectivity and Intra-State Open Access Regulations, 2014**

WHEREAS under the Electricity Act, 2003 (Central Act 36 of 2003), the State Electricity Regulatory Commission shall specify the terms and conditions for intra state open access within the State;

AND WHEREAS the Tamil Nadu Electricity Regulatory Commission has specified the Tamil Nadu Electricity Regulatory Commission (Intra-State Open Access) Regulations, 2005 in Notification No.TNERC/ISOA/11/1 dated 24-06-2005 and the same has been published at pages 1-21 of part VI – section 2 of the Tamil Nadu Government Gazette, dated the 2<sup>nd</sup> August 2005;

AND WHEREAS various orders have been issued by the Tamil Nadu Electricity Regulatory Commission from time to time and taking cue from such orders and from the past experience, it is decided to repeal the said Tamil Nadu Electricity Regulatory Commission (Intra-State Open Access) Regulations, 2005 and notify a new comprehensive Regulation governing the Grid connectivity and Open Access;

NOW THEREFORE, under section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the Tamil Nadu Electricity Regulatory Commission (Grid connectivity and Intra-State Open Access) Regulations, 2014, the draft of the same having been previously published as required under sub section (3) of the said section 181.

## **CHAPTER 1**

### **PRELIMINARY**

#### **1. Short Title, Extent and Commencement. -**

(1) These Regulations may be called the Tamil Nadu Electricity Regulatory Commission (Grid connectivity and Intra-State Open Access) Regulations, 2014;

(2) These Regulations shall come into force on the date of publication in the Tamil Nadu Government Gazette.

#### **2. Scope. -**

These Regulations shall apply to open access for use of intra-State transmission system and or distribution systems in the State of Tamil Nadu, including when such system is used in conjunction with inter-State transmission system.

#### **3. Definitions. –**

(1) In these Regulations, unless the context otherwise requires, –

(a) "Act" means the Electricity Act, 2003 (Central Act 36 of 2003);

(b) "Allotted Capacity" means the power transfer in MW between the specified point of injection and point of drawal allowed to a long-term/medium-term open access customer on the intra-State transmission system and the expression "allotment of capacity" shall be construed accordingly;

(c) "Applicant" means a consumer, trader, distribution licensee or a Generating company who has applied seeking connectivity or open access, as the case may be;

(d) "Central Commission" means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;

(e) "Commission" means the Tamil Nadu Electricity Regulatory Commission constituted under sub-section (1) of section 82 of the Act;

(f) "Contracted demand" means the load in kW/kVA (kilo Watt/kilo Volt Ampere) which the distribution licensee has agreed to supply from time to time, subject to the governing terms and conditions and is different from the connected load;

(g) "Day" means a day starting at 00.00 hours and ending at 24.00 hours;

(h) "Distribution System" means the system as defined in sub section (19) of section 2 of the Act and operates at the voltage of 33 kV and below;

(i) "IEGC" means Indian Electricity Grid Code specified by Central Electricity Regulatory Commission under clause (h) of sub-section (1) of section 79 of the Act;

(j) "Intra state Transmission System" means the system as defined in sub section (37) of section 2 of the Act and operates at the voltage of 66 kV and above;

(k) "Imbalance" in a time block for a generating station means its total actual generation minus its total scheduled generation and for a consumer or buyer means its total drawal minus its total scheduled drawal;

(l) "Long-term open access" means the right to use the intra-State transmission system or distribution system for a period exceeding 12 years but not exceeding 25 years;

(m) "Medium-term open access" means the open access for a period exceeding three months but not exceeding three years;

**Explanation:**

Open access applications for a period more than 3 years and up to 12 years shall be considered under medium term open access only and shall be allowed for a period exceeding 3 months, but not exceeding 3 years at a time.

(n) "Month" means a calendar month as per the Gregorian calendar;

(o) "Nodal agency" means the agency specified in column (4) of the Schedule 1 and 2 of these Regulations;

(p) "open access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with these Regulations and includes long- term open access, medium-term open access and short-term open access;

(q) "open access customer" means a consumer, trader, distribution licensee or a generator who has been granted open access under these Regulations;

(r) "Reserved Capacity" means the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a short-term open access customer on the transmission/distribution system depending on availability of transmission/distribution capacity and the expression "reservation of capacity" shall be construed accordingly;

(s) "Short-term open access" means open access for a period up to one month at a time;

**Explanation:**

Open access applications for a period more than 1 month and up to 3 months shall be considered under short term open access only and shall be allowed for a period up to 1 month at a time.

(t) "SLDC" means the State Load Dispatch Centre established under sub-section (1) of section 31 of the Act;

(u) "State Grid Code" means the State Grid Code specified by the Commission under clause (h) of sub-section (1) of section 86 of the Act;

(v) "State Transmission Utility (STU)" means a Government Company specified as such by the State Government under sub-section (1) of section 39 of the Act;

(w) "Transmission System Segment" means a part or whole of the transmission system from the point of injection to the point of drawal;

(x) "Wheeling" means the operation whereby the distribution system and associated facilities of a transmission Licensee or distribution Licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under section 62 of the Act.

(2) Words and expressions used and not defined in these Regulations but defined in the Act or IEGC or the State Grid Code or any other Codes / Regulations made by the Commission shall have the meaning assigned to them under the Act or the IEGC or the State Grid Code or any other Codes / Regulations made by the Commission, as the case may be.

(3) The General Clauses Act, 1897(Central Act x of 1897), as amended from time to time shall apply for the interpretation of these Regulations as it applies for interpretation of an Act of Parliament.

(4) In the interpretation of these Regulations, unless the context otherwise requires. -

(a) Words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;

(b) The terms "include" or "including" shall be deemed to be followed by "without limitation" or "but not limited to" regardless of whether such terms are followed by such phrases or words of like import;

(c) References herein to the "Regulations" shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;



(d) The headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;

(e) References to the statutes, Regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, Regulations or guidelines, as the case may be, referred to;

(f) In case of inconsistency between any provisions of these regulations and any other regulations or order passed by the Commission the provisions of these regulations shall prevail.

## **CHAPTER 2**

### **CONNECTIVITY**

#### **4. Connectivity. -**

(1) Any consumer having contracted demand of 10 MW and above or a consumer availing supply at 66 kV and above or a Generating Station having capacity of 15 MW and above or a Generating Station requiring connectivity at 66 kV and above shall be eligible to obtain connectivity to the intra-State transmission system, unless already connected, and shall apply for connectivity, in accordance with the provisions in this chapter.

(2) Any consumer having contracted demand of less than 10 MW or a consumer availing supply at 33 kV and below or a Generating Station having installed capacity less than 15 MW or a Generating Station requiring connectivity at 33 kV and below shall be eligible to obtain connectivity to the Distribution system and shall apply for connectivity as per the provisions of these Regulations, unless already connected, in accordance with the provisions in this chapter.

(3) Fossil fuel based generating stations shall be given connectivity at HT/EHT level. Generating stations generating energy based on new and renewable energy sources shall be provided with connectivity at any voltage, subject to the provisions of the Commission's regulations/orders in force.

## **5. Application procedure for Connectivity to intra-State transmission system. -**

(1) An application for connectivity to intra-state transmission system shall be made to the STU in the Form prescribed by the STU.

(2) Every application shall be accompanied by a non-refundable fee as specified below in the manner as mentioned in the procedure to be issued by the STU. The said fee is inclusive of the charges for any load flow / system studies to be conducted by the STU.

<b>Sl. No.</b>	<b>Quantum of power to be injected / off take into / from Intra-State Transmission and / or Distribution System.</b>	<b>Application fee for connectivity (Rs. In Lakhs)</b>
1.	Up to 100 MW	2 (Two)
2.	More than 100 MW and up to 500 MW	3 (Three)
3.	More than 500 MW and up to 1000 MW	6 (Six)
4.	More than 1000 MW	9 (Nine)

(3) In case of co-generation and generation of electricity from renewable energy sources, the application fee shall be 50% of the normal fee.

(4) The application for connectivity shall contain details such as, geographical location of the applicant, quantum of power to be interchanged, that is, the quantum of power to be injected in the case of a generating station including a captive generating plant and quantum of power to be drawn in the case of consumer, with the intra-State transmission system and such other details as may be laid down by the State Transmission Utility in the detailed procedure:

Provided that in cases where once an application has been filed and thereafter there has been any material change in the location of the applicant or change by more than 10 percent in the quantum of power to be interchanged with the intra-State transmission system, the applicant shall make a fresh application, which shall be considered in accordance with these Regulations:

Provided further that an application by the collective generators shall be considered by STU, only if all the generators, whose aggregate capacity is connected at the

single connection point, formalize a written agreement among themselves that the lead generator shall act on behalf of all the generators to undertake all operational and commercial responsibilities for all the collective generators connected at that point in following the provisions of the Indian Electricity Grid Code or Tamil Nadu Electricity Grid Code as the case may be and all other Regulations of the Commission, such as grid security, scheduling and dispatch, collection and payment/ adjustment of Transmission charges, Unscheduled Interchange (UI) charges, congestion and other charges, etc., and submit the application of connectivity with a copy of the agreement to the STU and also send a copy of the application to the SLDC:

Provided also that the STU shall suitably incorporate the requirement of formal agreement amongst such generators in the detailed procedure and Connection Agreement signed with such lead generator.

#### **6. Processing of Application and Grant of connectivity to STU. -**

(1) On receipt of the application, the STU shall, in consultation and through coordination with other agencies involved in the intra-State transmission including the Distribution Licensee, process the application and carry out the necessary interconnection study as specified in the Central Electricity Authority - (Technical Standards for Connectivity to the Grid) Regulations, 2007, (Grid Standards) Regulations, 2007 and (Technical Standards for construction of electrical plants and electric lines) Regulations, 2010.

(2) While granting connectivity, the STU shall specify the name of the sub- station or pooling station or switchyard where connectivity is to be granted. In case connectivity is to be granted by looping-in and looping-out of an existing or proposed line, the STU shall specify the point of connection and name of the line at which connectivity is to be granted. The STU shall indicate the broad design features of the dedicated transmission line. The timeframe for completion of the dedicated transmission line may be informed by STU or the generating company as the case may be.

(3) The applicant and all intra-State transmission licensees including the State Transmission Utility shall comply with the provisions of Central Electricity Authority – (Technical Standards for Connectivity to the Grid) Regulations, 2007, (Grid Standards) Regulations, 2007 and (Technical Standards for construction of electrical plants and electric lines) Regulations, 2010.

(4) The applicant shall sign a connectivity agreement with the State Transmission Utility or intra-State transmission licensee owning the sub-station or pooling station or switchyard or the transmission line as identified by the STU where connectivity is being granted:

Provided that in case connectivity of a generating station, including captive generating plant or connectivity to a customer is granted to the intra-State transmission system of an intra-State transmission licensee other than the State Transmission Utility, a tripartite agreement as provided in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007 shall be signed among the applicant, the State Transmission Utility and such intra-State transmission licensee.

(5) The grant of connectivity shall not entitle an applicant to interchange any power with the grid unless the applicant obtains long-term open access, medium-term open access or short-term open access, as the case may be, in accordance with the provisions of these Regulations:

Provided that any interchange of power with grid without any type of valid open access shall not warrant any payment to be made by any licensee. Such interchange of power shall be violation of these Regulations and shall be dealt with in accordance with the provisions of the Electricity Act, 2003:

Provided further that provisions of these regulations shall not be applicable to energy exchange taking place under sub regulation (6).

(6) Notwithstanding anything contained in sub-regulation (5) and any provision with regard to sale of infirm power in the relevant PPA, a unit of a generating station, including a captive generating plant which has been granted connectivity to the grid shall be allowed to inject infirm power into the grid during testing including full load testing before its COD for a period not exceeding six months from the date of first synchronization after obtaining prior permission of the concerned State Load Despatch Centre:

Provided that the Commission may allow extension of the period for testing including full load testing, and consequent injection of infirm power by the unit, beyond six months, in exceptional circumstances on an application made by the generating company at least two months in advance of completion of six month period:

Provided further that the concerned State Load Despatch Centre while granting such permission shall keep the grid security in view:

Provided also that the onus of proving that the injection of infirm power from the unit(s) of the generating station is for the purpose of testing and commissioning shall lie with the generating company, and the respective SLDC shall seek such information on each occasion of injection of power before COD. For this, the generator shall provide SLDC sufficient details of the specific testing and commissioning activity, its duration and intended injection etc. Such details shall be shared with the distribution licensee who has to pay for the infirm power, before effecting connectivity. Commercial treatment including the tariff for such infirm power from a generating station or a unit thereof will be governed by the concerned Regulations / Orders in force issued by the Commission from time to time.

(7) An applicant shall be required by the State Transmission Utility to construct a dedicated line to the point of connection to enable connectivity to the grid. In cases where augmentation of the STU / Transmission Licensee's sub-station is involved, the generator shall also bear the cost of bay extension, data communication system and initial testing & commissioning.

(8)The STU shall convey its decision on grant of connectivity or otherwise within a period of 30 days from the date of receipt of application in complete shape.

**7. Application procedure for Connectivity to distribution system for a generating station. -**

(1) All eligible generating stations including a captive generating plant, seeking connectivity to the distribution system, shall apply to the distribution licensee for connectivity in the Form prescribed by the Distribution Licensee.

(2) The Application shall be accompanied by a non-refundable fee of Rs. one lakh in the manner prescribed by the Distribution Licensee. In case of co-generation and generation of electricity from renewable energy sources, the application fee shall be 50% of the normal fee. The application fee is inclusive of the charges for any load flow or system studies to be conducted by the Distribution Licensee.

(3) The application for connectivity shall contain details such as, geographical location of the generating station, quantum of power to be injected and such other details as may be prescribed by the Distribution Licensee:

Provided that in cases where after filing of an application there has been any material change in the location of the applicant or change by more than 10 percent in the quantum of power to be interchanged with the distribution system, the applicant shall make a fresh application, which shall be considered in accordance with these Regulations:

Provided further that the application shall be considered by the Distribution Licensee only if all the generators, whose aggregate capacity is connected at the single connection point, formalize a written agreement among themselves that the lead generator shall act on behalf of all the generators to undertake all operational and commercial responsibilities for all the collective generators connected at that point in following the provisions of the Indian Electricity Grid Code or Tamil Nadu Electricity Grid Code, as the case may be, and all other Regulations of the Commission, such as

regulations relating to grid security, scheduling and dispatch, collection and payment/ adjustment of wheeling charges, UI charges, congestion and other charges, etc., and submit the application for connectivity with a copy of the agreement to the Distribution Licensee and also send a copy of application to the SLDC:

Provided also that the Distribution Licensee shall suitably incorporate the requirement of formal agreement amongst such generators in the detailed procedure and Connectivity Agreement signed with such lead generator.

#### **8. Processing of Application and Grant of connectivity to distribution system for a generating station. -**

(1) On receipt of the application, the distribution licensee shall, in consultation and through coordination with State Transmission Utility, process the application and carry out necessary inter-connection study as specified in the Central Electricity Authority - (Technical Standards for Connectivity to the Grid) Regulations, 2007, (Grid Standards) Regulations, 2007 and (Technical Standards for construction of electrical plants and electric lines) Regulations, 2010.

(2) While granting connectivity, the distribution licensee shall specify the name of the sub-station or pooling station or switchyard where connectivity is to be granted.

(3) The distribution licensee shall indicate the broad design features such as switchyard and interconnection facility up to the point of injection into the Substation of the distribution licensee and the timeframe for completion of the same. The cost of creation of these facilities shall be borne by the Generating Company. In cases where augmentation of the distribution licensee's sub-station is involved, the generating station shall also bear the cost of bay extension, data communication system and initial testing & commissioning.

(4) The applicant and the distribution licensee shall comply with the provisions of Central Electricity Authority - (Technical Standards for Connectivity to the Grid) Regulations, 2007, (Grid Standards) Regulations, 2007 and (Technical Standards for construction of electrical plants and electric lines) Regulations, 2010.

(5)The applicant shall sign a connectivity agreement with the distribution licensee where connectivity is being granted.

(6) The grant of connectivity shall not entitle an applicant to interchange any power with the grid unless it obtains long-term open access, medium- term open access or short-term open access, as the case may be in accordance with the provisions of these Regulations:

Provided that any interchange of power with grid without any type of valid open access shall be violation of these regulations and shall be dealt with in accordance with section 142 of the Electricity Act, 2003:

Provided further that provisions of these regulations shall not be applicable to energy exchange taking place under sub regulation (7).

(7) A generating station, including captive generating plant which has been granted connectivity to the distribution system shall be allowed to undertake testing including full load testing by injecting its infirm power into the grid before being put into commercial operation, even before availing any type of open access, after obtaining permission of the State Load Despatch Centre and the distribution licensee, who shall keep grid security in view while granting such permission. Commercial treatment including the tariff for such infirm power from a generating station or a unit thereof will be governed by the concerned Regulations or Orders in force issued by the Commission.

(8) Every applicant shall construct a dedicated line to the point of connection to enable connectivity to the distribution system.

(9)The Distribution Licensee shall convey its decision on grant of connectivity or otherwise within a period of 30 days from the date of receipt of application in complete shape.



## CHAPTER 3

### GENERAL PROVISIONS FOR OPEN ACCESS

#### **9. Eligibility for Open Access and conditions to be satisfied. -**

(1) Subject to the provisions of these Regulations, the licensees, generating companies, captive generating plants and consumers shall be eligible for open access to the intra-State transmission system of the State Transmission Utility or any transmission licensee on payment of transmission and other charges as may be determined by the Commission from time to time.

(2) Subject to the provisions of these Regulations, the licensees, generating stations, captive generating plants and consumers shall be eligible for open access to distribution system of a distribution licensee on payment of the wheeling and other charges as may be determined by the Commission from time to time.

(3) Subject to the provisions of these Regulations, open access shall be permissible to the consumers seeking open access capacity up to which the Commission has introduced open access and are connected through an independent feeder emanating from a sub-station of licensee:

Provided that the consumers who are not on independent feeders, shall be allowed open access subject to the restrictions in the feeders serving them in line with the Commission's Regulations / Codes / Orders:

Provided further that duties of the distribution licensee with respect to such open access customers shall be of a common carrier providing non-discriminatory open access as per sub section (3) of section 42 of the Act.

(4) An un-discharged insolvent or a person having outstanding dues against him for more than two months billing of distribution/transmission licensee at the time of application shall not be eligible for open access.

(5) In case a person, to whom open access has already been allowed, is declared insolvent or is having outstanding dues for more than two months billing of transmission or distribution Licensee, he shall not be eligible for open access from the day he is adjudged as insolvent or failed to clear the amount outstanding for more than two months billing.

(6) Open Access shall be allowed to the intra state transmission system subject to the satisfaction of the conditions contained in the Act and in these Regulations. Having regard to operational constraints and other relevant factors, open access shall be allowed to all EHT & HT consumers within their contracted demand subject to the terms and conditions of supply. In case of generation of electricity from new and renewable sources, open access shall be allowed as specifically permitted by the Commission in its relevant regulations/orders in force.

**10. Criteria for granting long-term open access or medium-term open access or short term open access. -**

(1) Before awarding long-term open access, the State Transmission Utility shall have due regard to the augmentation required for the intra-State transmission system.

(2) Medium-term open access or short-term open access shall be granted if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution:

Provided that no augmentation shall be carried out to the transmission system for the sole purpose of granting medium-term open access or short-term open access:

Provided further that construction of a dedicated transmission line shall not be construed as augmentation of the transmission system for the purpose of this Regulation.

## **CHAPTER 4**

### **APPLICATION PROCEDURE AND APPROVAL**

#### **Application Procedure and Approval for Open Access to Consumer**

##### **11. Categories of Open Access Customers. -**

The application procedure, application fee and the time frame for processing the request of the eligible consumers seeking Open Access shall be based on the following criteria: -

(1) System to which connected;

(a) Intra-State transmission system; and

(b) Distribution system;

(2) Inter-se location of drawal and injection points;

(a) Both within the same distribution system;

(b) Within the State but in different distribution systems;

(c) Injection / Drawal at the intra-state transmission system and injection at the intra-state transmission system and drawal at the distribution system and vice versa in the same State and in different States;

(3) Duration of Open Access;

(a) Long term access;

(b) Medium-term open access; and

(c) Short-term open access.

##### **12. Application procedure for Open Access. -**

(1) An application for open access shall be made in the prescribed Form and submitted to the Nodal agency in accordance with these Regulations. The

application fee is inclusive of the charges for any load flow or system studies to be conducted by the STU.

(2) The application shall be accompanied by an undertaking of not having entered into Power purchase agreement (PPA) or any other bilateral agreement **with more than one person** for the same quantum of power for which open access is sought.

(3) Subject to the provisions of these Regulations, the Nodal agency, Application fee, Documents to accompany the application and time frame for disposal of application are specified in the Schedule 1 and 2.

### **13. Procedure for Long Term Access. –**

(1) **Involving inter-State transmission system:** Notwithstanding anything contained in sub regulations (2) and (3), procedure for inter-State long-term open access shall be as per Central Electricity Regulatory Commission's Regulations or Orders issued for this purpose as amended from time to time:

Provided that in respect of a consumer connected to a distribution system / transmission system, seeking inter-State long-term open access, the SLDC, before giving its consent to the RLDC as required under the Central Commission's Regulations or Orders, shall require the consumer to submit the consent of the distribution licensee or the transmission licensee concerned.

(2) **Involving only intra-State transmission system.** - Subject to the provisions of sub regulation (1), intra-State long-term open access involving intra- State transmission system shall be in accordance with the provisions below: -

(a) Every application for grant of long-term open access shall contain details such as name of the entity or entities from whom electricity is proposed to be procured along with the quantum of power and such other details as may be laid down by the State Transmission Utility in the **detailed procedure specified in Regulation 43:**

Provided that in case augmentation of transmission system is required, the applicant shall also have to bear the transmission charges for the same as per these Regulations:

Provided further that in cases where there is any material change in location of the applicant or change by more than 10 percent in the quantum of power to be interchanged using the intra-State transmission system, a fresh application shall be made, which shall be considered afresh in accordance with these Regulations.

(b) The applicant shall submit any other information sought by the Nodal agency including the basis for assessment of power to be interchanged using the intra-State transmission system and power to be transmitted to or from various entities or regions to enable the Nodal agency to plan the intra-State transmission system in a holistic manner.

(c) The application shall be accompanied by a bank guarantee at the rate of Rs.10,000/- (Rupees Ten thousand only) per MW or part thereof the total power to be transmitted. The bank guarantee shall be in favour of the Nodal agency, in the manner laid down under the detailed procedure.

(d) The bank guarantee shall be valid and subsisting till the execution of the long-term open access agreement, in the case when augmentation of transmission system is required, and till operationalization of long-term open access when augmentation of transmission system is not required.

(e) The bank guarantee may be encashed by the Nodal agency, if the application is withdrawn by the applicant or the long-term open access rights are relinquished prior to the operationalisation of such rights when augmentation of transmission system is not required.

(f) The aforesaid bank guarantee will stand discharged with the submission of bank guarantee required to be given by the applicant to the State Transmission

Utility during construction phase when augmentation of transmission system is required, in accordance with the provisions in the detailed procedure.

(g) On receipt of the application, the Nodal agency shall, in consultation and through coordination with other agencies involved in intra-State transmission system to be used, process the application and carry out the necessary system studies as expeditiously as possible and ensure that the decision to grant long-term open access is arrived at within the timeframe specified in Schedule 1 and 2:

Provided that in case the Nodal agency faces any difficulty in the process of consultation or coordination, it may approach the Commission for appropriate directions.

(h) Based on the system studies, the Nodal agency shall specify the intra- State transmission system that would be required to give long-term open access. In case augmentation to the existing intra-State transmission system is required, the same will be intimated to the applicant.

(i) While granting long-term open access, the Nodal agency shall communicate to the applicant, the date from which long-term open access shall be granted and an estimate of the transmission charges likely to be payable based on the prevailing costs, prices and methodology of sharing of transmission charges specified by the Commission.

(j) The applicant shall sign an agreement with the State Transmission Utility in case long-term open access is granted by the State Transmission Utility, in accordance with the provision as may be made in the detailed procedure. While seeking long-term open access to an intra-State transmission licensee, other than the State Transmission Utility, the applicant shall sign a tripartite long-term open access agreement with the State Transmission Utility and the intra-State transmission licensee. The long-term open access agreement shall contain the date of commencement of long-term open access, the point of injection of power into the grid and point of drawal from the grid and the details of dedicated transmission lines, if

any, required. In case augmentation of transmission system is required, the long-term open access agreement shall contain the time line for construction of the facilities of the applicant and the transmission licensee, the bank guarantee required to be given by the applicant and other details in accordance with the detailed procedure.

(k) Immediately after grant of long-term open access, the Nodal agency shall inform the State Load Despatch Centre so that it can consider the same while processing requests for grant of short-term open access, received under these Regulations.

(l) On the expiry of the period of long-term open access, the same shall stand extended on a written request by the consumer, to the State Transmission Utility, submitted at least six months prior to such expiry, mentioning the period for which extension is required:

Provided that in case no written request is received from the consumer within the timeline specified above, the said long-term open access shall stand terminated on the date up to which it was initially granted.

**(3) Within same distribution system:** The procedure specified in sub regulation (2) above shall, mutatis mutandis, apply to cases of long-term open access when the point of injection and the point of drawal are located in the same distribution system.

#### **14. Procedure for medium-term open access. -**

**(1) Involving inter-State transmission system:** Notwithstanding anything contained in sub regulations (2) and (3) the procedure for inter-State medium-term open access shall be as per Central Electricity Regulatory Commission's Regulations or Orders in force for this purpose as amended from time to time:

Provided that in respect of a consumer connected to a transmission system or distribution system seeking inter-State medium-term open access, the SLDC, before giving its consent to the RLDC as required under the Central Commission's

Regulations, shall require the consumer to submit the consent of the transmission licensee / distribution licensee concerned.

**(2) Involving only intra-State transmission system:** Subject to the provisions of sub regulation (1), intra-State medium-term open access involving intra-State transmission system shall be in accordance with the provisions of clauses (a) to (f);

(a) The application for grant of medium-term open access shall contain such details as may be laid down under the detailed procedure and shall, in particular, include the point of injection into the grid, point of drawal from the grid and the quantum of power for which medium-term open access has been applied for;

(b) The application shall be accompanied by a bank guarantee of Rs.2000/- (Rupees two thousand) per MW or part thereof for the total power to be transmitted. The bank guarantee shall be in favour of the Nodal agency, in the manner laid down under the detailed procedure;

(c) The bank guarantee shall be kept valid and subsisting till operationalization of medium-term open access;

(d) The bank guarantee may be encashed by the Nodal agency, if the application is withdrawn by the applicant or the medium-term open access rights are relinquished prior to the operationalisation of such rights;

(e) The start date of the medium-term open access shall not be earlier than 5 months and not later than 1 year from the last day of the month in which application has been made;

(f) On receipt of the application, the Nodal agency shall, in consultation and through coordination with other agencies involved in intra-State transmission, process the application and carry out the necessary system studies as expeditiously as possible and ensure that the decision to grant or refuse medium-term open access is made within the timeframe specified in Schedule 1 and 2:



Provided that in case the Nodal agency faces any difficulty in the process of consultation or coordination, it may approach the Commission for appropriate directions;

(g) On being satisfied that the requirements specified in regulations 9 and 10 are complied with, the Nodal agency shall grant medium-term open access for the period stated in the application:

Provided that for reasons to be recorded in writing, the Nodal agency may grant medium-term open access for a period less than that sought for by the applicant:

Provided further that the applicant shall sign an agreement for medium term open access with the State Transmission Utility, in accordance with the provision as may be made in the detailed procedure. While seeking medium-term open access to an intra-State transmission licensee, other than the State Transmission Utility, the applicant shall sign a tripartite medium-term open access agreement with the State Transmission Utility and the intra-State transmission licensee. The medium-term open access agreement shall contain the date of commencement and end of medium-term open access, the point of injection of power into the grid and point of drawal from the grid, the details of dedicated transmission lines required, if any, the bank guarantee required to be given by the applicant and other details in accordance with the detailed procedure;

(h) After the grant of medium-term open access, the Nodal agency shall inform the State Load Despatch Centre for processing requests for short- term open access received under these Regulations;

(i) On expiry of the period of the medium-term open access, the medium- term consumer shall not be entitled to any overriding preference for renewal of the term.

**(3) Within same distribution system:** The procedure specified in sub regulation (2) shall, mutatis mutandis, apply to cases of medium-term open access when the point of injection and the point of drawal are located in the same distribution system.

**15. Procedure for short-term Open Access. -**

**(1) Involving inter-State transmission system. -** Notwithstanding anything contained in sub regulations (2) to (3), the procedure for inter-State short-term Open Access shall be as per Central Electricity Regulatory Commission's Regulations or Orders issued for this purpose as amended from time to time:

Provided that in respect of a consumer connected to a transmission system or distribution system seeking inter-State short-term open access, the SLDC, before giving its consent to the RLDC as required under the Central Commission's Regulations, shall require the consumer to submit the consent of the transmission licensee or distribution licensee concerned.

**(2) Involving only intra-State transmission system. -** Subject to the provisions of sub regulation (1), intra-State short-term Open Access shall be in accordance with the provisions of clauses (a) to (f):

**(a) Open Access in advance. -**

(i) Application may be submitted to the Nodal Agency seeking short-term open access up to the fourth month, considering the month in which an application is made being the first month;

(ii) Separate application shall be made for each month and for each transaction in a month;

(iii) Every application to the Nodal agency shall be in the specified format [**FORMAT ST-1**] containing such details like capacity needed, generation planned or power purchase contracted, point of injection, point of drawal, duration of availing open access, peak load, average load and such other additional information as may be required by the Nodal agency. The application shall be accompanied by a non-refundable application fee as per Schedule 1 and 2 in cash or by demand draft in favour of the officer so notified by Nodal agency;

(iv) An application for grant of open access commencing in any month may be submitted in a cover marked "Application for Short-Term Open Access" up to 15th day of the preceding month. For example, application for grant of open access commencing in the month of July shall be received up to 15<sup>th</sup> day of June;

(v) Nodal agency shall acknowledge receipt of the application by indicating time and date on "ACKNOWLEDGEMENT" to the applicant;

(vi) A consumer of distribution licensee intending to avail open access shall also furnish a copy of his application to the distribution licensee of his area of supply;

(vii) Based on the type of transactions, Nodal agency shall take a decision on the applications for short-term open access in the manner provided herein below;

(viii) All applications received under sub clause (iv) shall be taken up for consideration together and processed as per allotment priority criteria specified under regulation 19 of these Regulations;

(ix) Nodal agency shall check transaction for congestion of any element (line or transformer) of transmission and distribution system involved in transaction;

(x) Nodal agency shall convey grant of open access or otherwise in the specified format [FORMAT-ST2] along with schedule of payments to the consumer latest by 19<sup>th</sup> day of such preceding month;

(xi) Nodal agency shall assign specific reasons if open access is denied under sub-clause (x).

**(b) Day-Ahead Open Access. -**

(i) An application for grant of day ahead open access may be received by Nodal agency within three days prior to the date of scheduling but not later than 13.00

Hours of the day immediately preceding the day of scheduling for day-ahead transaction. For example, application for day-ahead transaction on 25th day of July shall be received on 22nd day or 23rd day or up to 13.00 hours on 24th day of that month;

(ii) Nodal agency shall check for congestion and convey grant of approval or otherwise in the same format [FORMAT-ST2] as provided in sub-clause (x) of clause (a). All other provisions of application for short-term open access shall apply.

**(c) Procedure for scheduling transaction in a contingency. -**

In the event of a contingency, the buying utility may locate a source of power to meet short-term contingency requirement even after the cut-off time of 1300 hrs of the preceding day and apply to the Nodal agency for open access and scheduling and in that event, the Nodal agency shall endeavour to accommodate such request as soon as and to the extent practically feasible, in accordance with the detailed procedure.

**(d) Bidding Procedure. -**

(i) If the capacity sought by the consumers for Open Access for the following month is more than the available capacity or SLDC perceives congestion of any element of transmission and/or distribution system involved in the transaction, the allocation shall be made through electronic bidding procedure;

(ii) The decision of SLDC in respect of an expected congestion shall be final and binding;

(iii) SLDC shall convey information of congestion and decision for invitation of bidding indicating floor price on format [FORMAT- ST3] to the applicants;

(iv) SLDC shall also display bidding information on its website;

(v) The floor price of transmission and wheeling charges determined on the basis of relevant Order of the Commission shall be indicated in FORMAT-ST3;

(vi) The Bids shall be accepted on format [FORMAT-ST4] up to the “bid closing time” as indicated in bidding invitation FORMAT- ST3. Modification / amendment to a bid, once submitted shall not be entertained;

(vii) If any consumer does not participate in bidding process, his application shall be deemed to have been withdrawn and shall not be processed;

(viii) SLDC shall not entertain any request for extension of time or date for submission of bids;

(ix) The bidders shall quote price (rounded-off to whole number) in denomination in which floor price has been determined;

(x) The quoted price shall be arranged in descending Order and allocation of available capacities shall be accorded in such descending Order until the available capacity is exhausted;

(xi) In case of equal price quoted by two or more consumers, the allocation from the residual available capacity at any stage under sub-clause (x) shall be made in proportion to capacity being sought by such consumers;

(xii) All consumers, in favour of whom full capacities have been allotted, shall pay the highest price obtained from bids;

(xiii) The consumers, who are allotted less capacity, shall pay the price as quoted by them;

(xiv) SLDC shall reject bid which are incomplete, vague in any manner or not found in conformity with bidding procedure;

(xv) The successful bidder, in favour of whom the capacities have been allocated, shall pay transmission charges, wheeling charges, as the case may be, determined by bidding under sub-clause (xii) or (xiii);

(e) The reserved capacity by a short-term open access customer is not transferable to others;

(f) The capacity available as a result of surrender or reduction or cancellation of the reserved capacity by the State Load Dispatch Centre, may be reserved for any other short-term open access consumer in accordance with these Regulations;

(g) On expiry of the period of the short-term open access, the short-term customer shall not be entitled to any overriding preference for renewal of the term;

**(3) Within same distribution system.-** The procedure specified in sub regulation (2), mutatis mutandis, shall apply to cases of short-term open access when the point of injection and the point of drawal are located in the same distribution system.

**16. Consent by STU, SLDC or Distribution Licensee. -**

**(1) Inter-State open access. -** STU in the case of application for grant of long-term open access and SLDC in the case of grant of medium-term open access and short-term open access shall convey its consent or otherwise as per the provisions of Central Electricity Regulatory Commission's Regulations or Orders in force. In case of applicant connected to the distribution licensee, the said distribution licensee shall convey its consent or otherwise within 3 days of receipt of the request of the applicant.

**(2) Intra-State Open Access. -** (a) In respect of a consumer connected to a distribution system seeking Open access, such consumer shall be required to submit the consent of the distribution licensee concerned. The distribution licensee shall convey its consent to the applicant by e-mail or fax or by any other usually recognized mode of communication, within three (3) working days of receipt of the application;

(b) While processing the application from a generating station seeking consent for open access, the distribution licensee shall verify the following, namely-

(i) Existence of infrastructure necessary for time-block-wise energy metering and accounting in accordance with the provisions of the State Grid Code in force; and

(ii) Availability of capacity in the distribution network; and

(iii) Availability of Remote Terminal Unit (RTU) and communication facility to transmit real-time data to the SLDC or Distribution Control Centre (DCC);

(c) Where existence of necessary infrastructure and availability of capacity in the distribution network has been established, the distribution licensee shall convey its consent to the applicant by e-mail or fax or by any other usually recognized mode of communication, within three (3) working days of receipt of the application;

(d) In case the distribution licensee finds that the application for consent is incomplete or defective in any respect, it shall communicate the deficiency or defect to the applicant by e-mail or fax or by any other usually recognized mode of communication, within two (2) working days of receipt of the application;

(e) In case the application has been found to be in Order but the distribution licensee refuses to give consent on the grounds of non-existence of necessary infrastructure or unavailability of surplus capacity in the distribution network, such refusal shall be communicated to the applicant by e-mail or fax or by any other usually recognized mode of communication, within the period of three (3) working days from the date of receipt of the application, along with reasons for such refusal;

(f) Where the distribution licensee has not communicated any deficiency or defect in the application within two (2) days from the date of receipt of application, or refusal or consent within the specified period of three (3) working days from the date of receipt of the application as the case may be, consent shall be deemed to have been granted;

Provided that the applicant shall submit to the Nodal agency a copy of the acknowledgement, if any, given by the Distribution licensee, or any other evidence in support of delivery of the application to the Distribution licensee.

**17. Consideration of applications from defaulters. -**

Notwithstanding anything contained in these Regulations, the Nodal Agency shall be at liberty to summarily reject an application for Open Access on the ground of non-compliance of the provisions of these Regulations, more specifically the provisions relating to timely payment of the charges leviable hereunder.

**18. Application by eligible entities other than consumers. -**

The procedure for submission of the application and processing the same as laid down in this chapter in respect of the consumers shall, mutatis mutandis, be applicable to the electricity trading licensees, distribution licensees and the generating companies.

**Common provisions for Open Access**

**19. Allotment Priority. –**

(1) The priority for allotment of open access in intra-State transmission system shall be decided on the following criteria:

(a) A distribution Licensee shall have the highest priority in allotment of open access capacity irrespective of whether the open access request is for long-term, medium-term or short-term;

(b) The long-term open access applicants shall have the priority next to the distribution licensee;

(c) The medium-term open access applicants shall have the priority next to the long-term open access applicants;



(d) The short-term open access applicants shall have the priority next to the medium-term open access applicants;

(e) Allotment priority for short-term open access applicants shall be decided subject to capacity availability;

(f) Subject to clauses (a) to (e), the decision shall be based on first come first served;

(g) An existing open access customer shall have the priority higher than new open access applicants under respective category provided the former applies for its renewal thirty days prior to the expiry of existing term of open access;

(h) When the requirement projected by an applicant is more than the available capacity and the said applicant is not able to limit his requirement to the available capacity, the request of applicant having next lower priority shall be taken up for consideration;

(i) During capacity availability constraints, the allotment can be made available to the next senior applicant, provided that the first senior is not able to limit his requirement to the available capacity and so on.

## **CHAPTER 5**

### **OPEN ACCESS CHARGES**

#### **20. Transmission Charges. -**

Open Access customer using transmission system shall pay the charges as stated hereunder:

**(1) For use of inter-State transmission system. –** As specified by the Central Commission from time to time.

**(2) For use of intra-State transmission system. -**

**(a) By Long-Term, Medium-Term and Short-Term Open Access Customers. -**

Existing Long-Term Open Access and Medium-Term Open Access customers (including existing distribution licensees and generating companies) shall share the Annual Transmission Charges (ATC) of the State Transmission Utility or transmission licensee, as determined by the Commission in the ARR for the relevant year, in the ratio of their allotted capacities. Transmission charges payable by other Long-Term Open Access, Medium-Term Open Access and Short Term Open Access customers to the STU or Transmission Licensee shall be determined as under:

$\text{Transmission Charges} = \text{ATC} / (\text{ACs} \times 365)$  (in Rs./MW-day)

Where,

ATC= Annual Transmission Charges determined by the Commission for the transmission system of the STU / Transmission Licensee for the relevant year.

ACs = Sum of Capacities allocated to all Long-term and Medium-term Open Access customers in MW.

Provided that where a dedicated transmission system used for open access has been constructed for exclusive use of an open access customer, the transmission charges for such dedicated system shall be worked out by transmission licensee for their respective dedicated systems and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used for by other persons or purposes:

Provided further that transmission charges for Short-Term open access shall be payable on the basis of capacity reserved for such customer.

(3) In case intra state transmission system or distribution system is used by an open access customer in addition to inter-state transmission system, transmission charges and wheeling charges as fixed and approved by the Commission shall be payable for use of intra-state system in addition to payment of transmission charges for inter-state transmission.

(4) The transmission charges payable by the Open Access Customer utilizing the Intra-State Transmission system for part of a day shall be on pro-rata basis.

**21. Scheduling and system operation charges. -**

Scheduling and system operation charges shall be payable by the Open Access customers at the following rates:

**(1) In respect of inter-State open access. –**

(a) Long-term open access and Medium-term open access:-

(i) Regional Load Despatch Centre fees and charges including charges for the Unified Load Despatch and Communication Scheme as specified by the Central Commission under sub section (4) of section 28 of the Act;

(ii) State Load Despatch Centre charges as specified by the Commission under sub-section (3) of section 32 of the Act;

(b) Short-term open access:-

(i) Regional Load Despatch Centre and State Load Despatch Centre charges as specified by the Central Commission.

**(2) In respect of intra-State open access. -**

(a) Long-term, medium-term and short-term open access:-

(i) The scheduling and system operation charges payable to State Load Dispatch Center by open access customer shall be such as determined by the Commission under section 32 of the Act;

(ii) The scheduling and system operation charges collected by the State Load Dispatch Center in accordance with clause (a)(i) shall be in addition to the other fees and charges approved by the Commission under these Regulations;

(iii) The Scheduling and system operation charges shall be payable even when the open access customer happens to be a generating company or trading Licensee, availing open access under these Regulations.

**22. Wheeling Charges. -**

(a) Wheeling charges payable to Distribution Licensee, by an open access customer shall be as determined by the Commission;

(b) Where a dedicated distribution system used for open access has been constructed for exclusive use of an open access customer, the wheeling charges for such dedicated system shall be worked out by the Licensee and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used by other persons or for other purposes;

(c) In case intra state transmission system or distribution system is used by an open access customer in addition to inter-state transmission system, transmission charges and wheeling charges as fixed and approved by the Commission shall be payable for use of intra-state system in addition to payment of transmission charges for inter-state transmission.

**23. Cross subsidy surcharge. -**

(1) If open access facility is availed of by a subsidizing consumer of a Distribution Licensee, then such consumer, in addition to transmission and/or wheeling charges, shall pay cross subsidy surcharge as determined by the Commission. Cross subsidy surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access customers based on the actual energy drawn during the month through open access. The amount of surcharge shall be paid to the distribution licensee of the area of supply from whom the consumer was availing supply before seeking open access.

**24. Additional Surcharge. -**

(1) An open access customer, receiving supply of electricity from a person other than the distribution licensee of his area of supply, shall pay to the distribution licensee

an additional surcharge on the charges of wheeling, in addition to wheeling charges and cross-subsidy surcharge, to meet out the fixed cost of such distribution licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act.

(2) This additional surcharge shall become applicable only if the obligation of the licensee in terms of power purchase commitments has been and continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. However, the fixed costs related to network assets would be recovered through wheeling charges.

(3) The distribution licensee shall submit to the Commission on six monthly basis, a detailed calculation statement of fixed cost which the licensee is incurring towards his obligation to supply. The Commission shall scrutinize the statement of calculation of fixed cost submitted by the distribution licensee and obtain objections, if any, and determine the amount of additional surcharge:

Provided that any additional surcharge so determined by the Commission shall be applicable only to the new open access customers.

(4) Additional surcharge determined on per unit basis shall be payable, on monthly basis, by the open access customers based on the actual energy drawn during the month through open access:

Provided that such additional surcharges shall not be levied in case distribution access is provided to a person who has established a captive generation plant for carrying the electricity from such plant to the destination of his own use

## **25. Charges for Startup Power Supplied by the Distribution Licensee.**

(1) The generators connected with the state grid are eligible to get start up power after declaration of CoD. The demand shall be limited to 10% of the highest capacity of the generating unit of the generating station or the percentage of auxiliary consumption as specified in the Commission's Tariff Regulations, whichever is less.

The supply shall be restricted to 42 days in a financial year. Drawal of power for a day or part thereof shall be accounted as a day for this purpose. Power factor compensation charges are not applicable for start-up power. The generator shall pay the Distribution Licensee for the supply of startup power at the rates as specified by the Commission in its Tariff Order issued from time to time. Start up supply beyond 42 days in a financial year may be provided by the Distribution Licensee at the rate of one and half times of the normal rate as specified by the Commission. However, no start up supply shall be provided beyond 120 days in a financial year. In case of new and renewable energy based generator, the Commission may add/vary/delete certain criteria in the specific order issued for that category of new and renewable energy based generation. In case of Independent Power Producer (IPP), start-up power transactions shall be governed by this regulation only if it is not covered by the Power Purchase Agreement.

#### **26. Parallel Operation Charges. -**

If the Captive Generating Plants (CGPs) opt for parallel operation with the licensee's grid for safe and secure operation of their generators and to provide quality, reliable power supply to their load, the CGPs shall pay a parallel operation charges of Rs.30,000/- per month for each MW capacity (or part thereof) of the generator. This charge is applicable to the generators availing only parallel operation with the grid without availing open access. The application fees and procedure for parallel operation of generators with grid shall be same as that of grid connectivity of generators.

#### **27. Restoration Charges. –**

Any default in payment of the various charges specified in these regulations, within the time stipulated by the Commission will result in the discontinuance of the open access to the consumer. Restoration of such discontinued open access shall be subject to the payment of reconnection charges applicable to that voltage level of the customer as approved by the Commission in the Order on “Non-tariff related Miscellaneous charges” issued from time to time.

#### **28. Other Charges. –**

The regulatory charges, congestion charges and any other charges imposed by Central Commission and/or State Commission shall be payable by all the open access customers.

## **CHAPTER 6**

### **SCHEDULING, METERING, REVISION AND LOSSES**

#### **29. Scheduling. -**

(1) Notwithstanding anything contained in these Regulations, scheduling of inter-State open access transactions shall be as specified by the Central Commission.

(2) Intra-State open access transactions in respect of consumers and all generating stations irrespective of the capacity shall be scheduled by SLDC in accordance with the provisions of the Tamil Nadu Electricity Grid Code.

#### **30. Metering. -**

(1) Special Energy Meters (ABT compliant interface meters) shall be installed as specified in the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 irrespective of allotted capacity. The meters shall be provided by the STU or the Distribution Licensee as the case may be, at the cost of open access customers both at the injection and drawal points. The open access customers can opt for supply and installation of meters as per the standards recommended by the STU or the Distribution Licensee, as the case may be and approved by the Commission. The cost of meters and installation have to be borne by the open access customers and the readings shall be taken by the Licensee as per the CEA regulations.

(2) Special Energy Meters shall be open for inspection by any person authorized by the State Transmission Utility or the State Load Despatch Centre or the Distribution Licensee.

(3) The STU or Distribution Licensee may provide Check Meters of the same specifications as that of the main meters.

(4) The open access customer can have a standby meter of the same specification, tested and sealed by the STU/Distribution Licensee.

(5) Main and Check Meters shall have facility to communicate its readings to State Load Dispatch Centre / Distribution Control Centre on real time basis or otherwise.

(6) The Main and Check Meters shall be periodically tested and calibrated by the generators/ Licensee as the case may be in the presence of other party involved. Both parties shall seal Main and Check meters. Defective meter shall be replaced immediately. The periodicity of testing, checking, calibration etc. will be governed by the regulations issued by the Central Electricity Authority in this regard.

(7) Reading of Main and Check meters shall be taken periodically at appointed day and hour by authorized officer of the STU/Distribution Licensee in the presence of the open access customer or his representative.

(8) Check meter readings shall be considered when Main Meters are found to be defective or stopped:

Provided that, if difference exists between the readings of main and check meters, viz. main meter reading exceeds twice the percentage error applicable to relevant class, both meters shall be tested and the defective meter shall be immediately replaced and reading of other will be considered.

(9) If during test or calibration, both the main meter and the check meter are found to have errors beyond permissible limits, the bill shall be revised for the previous 3 (Three) months or for the exact period if known and agreed upon by both the parties, by applying correction as determined by the STU or Distribution Licensee to the consumption registered by the meter with lesser error.

(10) The open access customer shall check the healthiness of metering arrangement by superficially checking indicator lamps or by taking readings as frequently as possible. If both the main meter and the check meter fail to record energy either due to the blowing of the P.T. fuses or due to any other causes, the energy imported or



exported may be arrived at based on the standby meter, if available, or by mutual agreement of the parties involved.

**31. Revision. -**

Revision of scheduled energy shall be permitted in accordance with the provisions of IEGC or the Tamil Nadu Electricity Grid Code, as the case may be.

**32. Losses. -**

**(1) Transmission losses. -**

**(a) Inter-State transmission. -**

The open access customers shall bear the energy losses in the transmission system in accordance with the provisions specified by the Central Commission.

**(b) Intra-State transmission. -**

The open access customers shall bear average energy losses in the transmission system as estimated by the State Load Dispatch Centre. The information regarding average energy losses for the previous fifty two weeks shall be posted on the website of the State Load Dispatch Centre. Fortnightly average transmission loss in the system on all open access customers shall be monitored by the SLDC.

**(2) Distribution loss. -**

In case of distribution open access, the Licensee shall estimate the losses for each category of voltages and furnish to the Commission. These losses as approved by Commission shall be borne by the open access customer.

## IMBALANCE AND REACTIVE ENERGY CHARGES

### **33. Imbalance Charge. -**

(1) Scheduling of all transactions pursuant to grant of long-term open access or medium-term open access or short-term open access shall be carried out on day-ahead basis in accordance with the relevant provisions of IEGC/CERC Open Access Regulations for inter-State transactions and in accordance with State Grid Code or Commission's Regulations / orders for intra-State transactions.

(2) Deviations between the schedule and the actual injection/drawal in respect of an open access consumer who is not a consumer of the distribution licensee and the generator, shall come under the purview of the intra-state ABT, as notified by the Commission and shall be settled based on the composite accounts for imbalance transactions issued by SLDC on a weekly cycle in accordance with the UI charges specified by the Commission. Billing, collection and disbursement of any amounts under the above transactions shall be in accordance with the Commission's orders on Intra-state ABT, as may be applicable from time to time. Till the implementation of Intra-State ABT, the imbalance charge shall be at the UI rate of CERC. Standby support shall not be available for the open access consumer who is not a consumer of the Distribution Licensee.

(3) In case of deviation between the schedule and the actual injection/drawal in respect of an open access consumer who is a consumer of distribution licensee and the generator shall come under the purview of the intra-state ABT, as notified by the Commission and shall be settled based on the composite accounts for imbalance transactions issued by SLDC on a weekly cycle in accordance with the UI charges specified by the Commission. Billing, collection and disbursement of any amounts under the above transactions shall be in accordance with the Commission's orders on Intra-state ABT, as may be applicable from time to time. Open access consumer of the Distribution Licensee is eligible for standby support from the Distribution Licensee. Till the implementation of Intra-State ABT, the standby support and charge shall be regulated as below:

(a) In case of actual energy/demand drawl by the OA consumer in a billing cycle is equal to or less than the permitted energy/demand (based on contracted demand and energy or quota demand and energy as applicable), the OA consumer shall pay at the applicable tariff rates of that category of consumer as determined by the Commission from time to time;

(b) In case of actual energy drawl/demand by OA consumer in a billing cycle is more than the permitted energy/demand (based on contracted demand and energy or quota demand and energy as applicable), payment for the energy/demand over and above the permitted energy/demand shall have to be made at the excess energy/demand charges as specified by the Commission for such categories of consumers in the regulation/order issued from time to time.

(4) In case of underdrawal as a result of non availability of the distribution system beyond the norms specified in the Commission's Tamil Nadu Electricity Distribution Standards of Performance Regulations 2004 or unscheduled load shedding, the open access customer shall be compensated by the distribution licensee at the average power purchase cost of the distribution licensee.

#### **Explanation.-**

1. **“Average Power Purchase Cost”** means the weighted average pooled price at which the distribution licensee has purchased the electricity including cost of self generation in the previous year.

2. **“Unscheduled load shedding”** means, load shedding during hours other than the hours for which load shedding has been announced by the distribution licensee or approved by the SLDC.

(5) Payment of imbalance charges shall have a high priority and the concerned constituents (including the licensees or the open access customers as the case may be) shall pay the indicated amounts within 10 (ten) days of the issue of the statement, into a State Imbalance Pool Account operated by the SLDC. The person

who has to receive the money on account of imbalance charges would then be paid out from the State Imbalance Pool Account, within three (3) working days.

(6) If payments against the above imbalance charges are delayed by more than two days, i.e., beyond twelve (12) days from the date of issue of statement, the defaulting party shall have to pay simple interest @ 0.06% for each day of delay. The interest so collected shall be paid to the person who had to receive the amount, payment of which got delayed. Persistent payment defaults, if any, shall be reported by the SLDC to the Commission, for initiating remedial action.

(7) The **detailed energy accounting procedure** shall be prepared by the SLDC and submitted for approval to the Commission within 60 days from notification of this Regulations.

#### **34. Reactive Energy Charge. -**

The payment for the reactive energy charges by open access customers shall be in accordance with provisions stipulated in the Commission's State Grid Code or Regulations or Orders in force.

## **CHAPTER 8 COMMERCIAL MATTERS**

#### **35. Billing, collection and disbursement. –**

Billing in respect of the charges payable under these Regulations shall be made as per the following procedure:

##### **(1) Inter-State transactions. –**

##### **(a) Short-term Open Access. –**

(i) Collection and disbursement of transmission charges for use of CTU and STU systems and operating charges payable to RLDCs and SLDCs towards short-term

open access shall be made by the Nodal RLDC in accordance with the procedure specified by the Central Commission;

(ii) The short-term open access customer connected to distribution system of a distribution licensee shall pay to such distribution licensee the charges payable to the distribution licensee within 3 days from the grant of the short-term open access by the Nodal agency.

**(b) Long-term open access and medium- term open access. –**

(i) Billing, collection and disbursement of charges payable to RLDC including Unified Load Despatch and Communication Scheme shall be in accordance with the procedure specified by the Central Commission;

(ii) Bills towards the charges payable to SLDC shall be raised by the STU/SLDC directly to the open access customer connected to STU and to the distribution licensee in respect of the customers connected to the distribution system, before the 3<sup>rd</sup> working day of the succeeding calendar month **by e-mail or fax or by any other usually recognized mode of communication;**

(iii) Distribution licensee shall raise the bill with the open access customer connected to it within 3 days of receipt of bill from SLDC;

(iv) Open access customer connected to the distribution licensee shall pay the charges within five days of receipt of bill from distribution licensee. The distribution licensee shall disburse the amount payable to STU/SLDC on a monthly basis;

(v) Open access customer connected to the STU shall pay the bills within five working days of receipt of the bill;

**(2) Intra-State transactions. –**

**(a) Short-term Open Access. –**

(i) The short-term open access customer shall deposit with SLDC the transmission charges and operating charges **for the entire period of open access** within three working days of grant of the short-term open access by SLDC, but before the commencement of open access;

(ii) In addition to the above, the short-term open access customer connected to distribution system of a distribution licensee shall also pay to SLDC, the charges payable to the distribution licensee **for the entire period of open access** within three days from the grant of the short-term open access by the Nodal agency, but before the commencement of open access. Such charges would be disbursed to the distribution licensee on a weekly basis.

**(b) Long-term and Medium-Term open access. -**

SLDC, transmission licensees and distribution licensee, where applicable, shall communicate to STU the details of the bills due to them by the 3rd day of the succeeding calendar month. STU shall separately indicate the above charges and raise the bill with the open access customer, together with the charges receivable by it, if any, before the 5<sup>th</sup> day of the above month. The open access customer shall pay the charges within seven days from the date of receipt of the bill. STU shall disburse the charges payable to SLDC, transmission licensee and distribution licensee on a monthly basis.

**36. Late payment surcharge. -**

In case the payment of any bill for charges payable under these Regulations is delayed by an open access customer beyond the due date, without prejudice to any action under the Act or any other Regulation thereunder, a late payment surcharge at the rate of 1.5% per month shall be levied.

**37. Default in payment. -**

(1) Non-payment of any charge or sum of money payable by the open access customer under these Regulations including imbalance charges shall be considered non-compliance of these Regulations and shall be liable for action under section 142 of the Act in addition to action under section 56 of the Act. The STU or any other transmission licensee or a distribution licensee may discontinue open

access after giving customer an advance notice of fifteen days without prejudice to its right to recover such charges by suit.

(2) In case of default in payment of charges due to the State Load Despatch Centre, the State Load Despatch Centre may refuse to schedule power to the defaulting open access customer and direct the licensee concerned to disconnect such customer from the grid.

### **38. Payment Security Mechanism. -**

In case of long-term open access and medium-term open access, the applicant for open access will open an irrevocable Letter of Credit in favour of the agency responsible for collection of various charges for the estimated amount of various charges for a period of two months.

## **CHAPTER 9 INFORMATION SYSTEM**

### **39. Information system. -**

The State Load Dispatch Centre shall post the following information on its website in a separate web page titled “Open access information” and also issue monthly and annual report containing such information:

(1) A status report on long-term open access or medium-term open access customers indicating;

(a) Name of customer;

(b) Period of open access granted (date of commencement and date of termination);

(c) Point of injection;

(d) Point of drawal;

(e) Transmission system / distribution system used; and

(f) Open access capacity used.

(2) A status report on the current short-term open access customers indicating:

- (a) Name of customer;
- (b) Period of open access granted (date of commencement and date of termination);
- (c) Point of injection;
- (d) Point of drawal;
- (e) Transmission system / distribution system used; and
- (f) Open access capacity used.

(3) A status report on the Limited short-term open access customers indicating:

- (a) Name of customer;
- (b) Period of open access granted (date of commencement and date of termination);
- (c) Schedule of open access period for each day;
- (d) Point of injection;
- (e) Point of drawal;
- (f) Transmission system / distribution system used; and
- (g) Open access capacity used.

(4) Peak load flows and capacity available including the reserve capacity on all EHV lines and HV lines emanating from EHV sub- stations.

(5) The information regarding average loss in transmission and distribution system as determined by respective licensees.

## **CHAPTER 10**

### **MISCELLANEOUS**

**40. Under-utilization or non-utilization of open access capacity in intra-State transmission system. -**

**(1) Long-term open access. -** A long-term open access customer may relinquish the long-term open access rights fully or partly before the expiry of the full term of long-term open access, by making payment of compensation for stranded capacity as follows:-



**(a) Long-term open access customer who has availed access rights for a period of and exceeding 12 years. -**

(i) Notice of one (1) year – If such a customer submits an application to the State Transmission Utility at least 1 (one) year prior to the date from which such customer desires to relinquish the access rights, there shall be no charges;

(ii) Notice of less than one (1) year – If such a customer submits an application to the State Transmission Utility at any time lesser than a period of 1 (one) year prior to the date from which such customer desires to relinquish the access rights, such customer shall pay an amount equal to 66% of the transmission charges for the stranded transmission capacity for the period falling short of a notice period of one (1) year.

**(b) Long-term open access customer who has availed access rights for a period less than 12 (twelve) years. -** such customer shall pay an amount equal to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of 12 (twelve) years of access rights:

Provided that such a customer shall submit an application to the State Transmission Utility at least 1 (one) year prior to the date from which such customer desires to relinquish the access rights:

Provided further that in case a customer submits an application for relinquishment of long-term open access rights at any time at a notice period of less than one year, then such customer shall pay an amount equal to 66% of the estimated transmission charges (net present value) for the period falling short of a notice period of one (1) year, in addition to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of 12 (twelve) years of access rights.

(c) The discount rate that shall be applicable for computing the net present value as referred to in sub-clause (a) and (b) of clause (1) above shall be the discount rate

to be used for bid evaluation in the Central Commission's Notification issued from time to time in accordance with the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by distribution Licensees issued by the Ministry of Power, Government of India from time to time.

(d) The compensation paid by the long-term open access customer for the stranded transmission capacity shall be used for reducing transmission charges payable by other long-term open access customers and medium-term open access customers in the year in which such compensation payment is due in the ratio of transmission charges payable for that year by such long-term and medium-term open access customers.

**(2) Medium-term Open Access customers.** - A medium-term open access customer may relinquish rights, fully or partly, by giving at least 30 days prior notice to the Nodal agency:

Provided that the medium-term open access customer relinquishing its rights shall pay applicable transmission charges for the period of relinquishment or for 30 days whichever is less.

**(3) Short-term open access customer. –**

(a) On an application made to the Nodal agency by the short-term open access customer, the short-term open access schedules already accepted by the Nodal agency in advance or on first-come-first-served basis may either be cancelled or revised downwards:

Provided that such cancellation or downward revision of the short-term open access schedules shall not be effective before expiry of a minimum period of two (2) days:

Provided further that the day on which application for cancellation or downward revision of schedule is served on the Nodal agency and the day from which such cancellation or downward revision is to be implemented, shall be excluded for computing the period of two (2) days.

(b) The person seeking cancellation or downward revision of short-term open access schedule shall pay the transmission charges for the first two (2) days of the period for which the cancellation or downward revision of schedule, as the case may be, has been sought, in accordance with the schedule originally approved by the Nodal agency, and thereafter in accordance with the revised schedule prepared by the Nodal agency during the period of such cancellation or downward revision.

(c) In case of cancellation, operating charges specified in Regulations 21 of these Regulations shall be payable for two (2) days or the period of cancellation in days, whichever is less.

**41. Computation of capacity availability for open access. –**

(1) The capacity available for the open access shall be computed for each transmission segment and for every sub-station by the STU following the methodology given below:

(a) Available open access capacity of a transmission system segment: =  $(DC-SD-AC) + NC - ND$

Where,

DC=Designed capacity of the transmission segment in MW,

SD = Sustained demand (peak load experienced) in MW recorded in the segment,

AC = Already allotted capacity, but not availed in MW,

NC = New capacity in MW expected to be added and

ND = New Demand expected to be added;

(b) Available open access capacity of a sub-station: =  $(TC-SP- AC)+NC - ND$

Where,

TC= Transformer capacity of the sub- station in MVA,

SP= Sub-station peak in MVA,

AC= Already allotted capacity but not availed in MVA,

NC = New transformer capacity in MVA expected to be added and

ND = New Demand in MVA expected to be added;

(c) The STU shall update these values on monthly basis on the first calendar day of the month and publish it in their website.

(2) The appropriate distribution licensee shall determine the available capacity for allotment for the portion of the distribution system over which open access has been requested for.

#### **42. Curtailment Priority. –**

When circumstances warrant and it becomes necessary to curtail the open access service of the customers, subject to the requirements of State Grid Code, the open access to a distribution licensee shall be the last to be curtailed. Among others, short-term open access customers shall be curtailed first, followed by the medium-term open access customers, followed by long-term open access customers. SLDC shall frame guidelines for curtailment of open access customers.

#### **43. Detailed Procedure. -**

(1) Subject to the provisions of these regulations, the State Transmission Utility and the Distribution Licensee shall submit the detailed procedure to the Commission for approval within 60 days of notification of these regulations in the Official Gazette:

Provided that prior to submitting the detailed procedure to the Commission for approval, the State Transmission Utility and the Distribution Licensee shall make the same available to the public and invite comments by putting the draft of the detailed procedure on their website and giving a period of one month to submit comments:

Provided further that while submitting the detailed procedure to the Commission, the State Transmission Utility and the Distribution Licensee shall submit a statement

indicating as to which of the comments of stakeholders have not been accepted by it along with reasons thereof.

(2) The detailed procedure submitted by the State Transmission Utility and Distribution Licensee shall, in particular, include -

- (a) The proforma for application of connectivity and the connection agreement;
- (b) The proforma for application of long-term, medium-term and short term open access and LTOA/MTOA agreements;
- (c) Any other points, including payment mechanisms for application fee, agreement fee, bank guarantees etc., necessary for implementation of these regulations.

#### **44. Redressal Mechanism**

(1) All disputes and complaints relating to open access shall be made to the respective Nodal agency, which may investigate and endeavour to resolve the grievance within thirty days; and

(2) Whenever the Nodal agency is unable to resolve a grievance, the matter may be referred to the Commission.

#### **45. Powers to Remove Difficulties. -**

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special Order, direct the State Transmission Utility, State Load Dispatch Centre, intra-State licensees and the open access customer, to take such action, as may appear to the Commission to be necessary or expedient for the purpose of removing difficulties.

#### **46. Force Majeure. –**

(1) Any event which is beyond the control of the parties to the open access agreement which they could not foresee or with a reasonable amount of diligence could not have foreseen or which could not be prevented and which substantially affect the performance by either party such as, but not limited to, the following shall be classified as force majeure events for the purpose of these Regulations. -

- (i) natural disasters (earthquakes, hurricane, floods);
- (ii) wars, riots or Civil Commotions and other upheavals; and
- (iii) grid / distribution system's failure not attributable to parties hereto.

(2) Both the parties to the open access agreement shall ensure compliance of the terms and conditions of the agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the open access agreement to the extent that such failure is due to force majeure. But, any party claiming the benefit of the force majeure shall satisfy the other party of the existence of such event(s).

#### **47. Power to amend. –**

The Commission may, at anytime, vary, alter, modify or amend any of the provisions of these Regulations.

#### **48. Repeal and Savings. –**

(1) Save as otherwise provided in these Regulations, "Tamil Nadu Electricity Regulatory Commission - Intra State Open Access Regulations, 2005" shall stand repealed from the date of commencement of these Regulations.

(2) Notwithstanding such repeal, anything done or purported to have been done under the repealed Regulations so far as it is not inconsistent with these Regulations shall be deemed to have been done or purported to have been done under these Regulations.

(3) Open access customers to the intra-State transmission system and the distribution system in the State on the date of coming into force of these Regulations under an existing agreement or contract shall be entitled to continue to avail such access to the transmission and distribution system on the same terms and conditions, as stipulated under such existing agreement or contract except

regulations 25 and 26 of this regulations. Regulations 25 and 26 are applicable to all open access customers. Such persons shall on expiry of such existing agreement or contract be eligible to avail long-term open access or medium-term open access under these Regulation by making applications at least thirty days prior to the expiry of the existing agreement/contract.

(4) These Regulations are in addition to and not in derogation of the other Regulations / Codes issued by the Commission.

(5) The provisions in these Regulations are subject to the Commission's orders on Restriction and Control of power issued from time to time.

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

**(S.GUNASEKARAN)**  
**Secretary**

Schedule 1									
Applicant connected to Distribution System									
S. No. (1)	Period (2)	Interse location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
1.	Short <input type="checkbox"/> Term Open Access	Both within the same Distribution licensee	SLDC	2000	2000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee.</li> <li>• Consent from concerned Distribution Licensee</li> </ul>	<ul style="list-style-type: none"> <li>• 7 working days in case STOA applied for first time.</li> <li>• 3 working days on subsequent STOA applications.</li> </ul>	<ul style="list-style-type: none"> <li>• Transmission Charge</li> <li>• Wheeling Charge</li> <li>• Cross Subsidy surcharge,</li> <li>• Additional surcharge, if any</li> <li>• Standby charges, if any</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level.</li> <li>• Transmission loss in kind.</li> </ul>
2.		Both within the same State but in areas of different Distribution Licensees	SLDC	5000	5000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Consent from concerned Distribution licensees.</li> </ul>	<ul style="list-style-type: none"> <li>• 7 working days in case STOA applied for first time.</li> <li>• 3 working days on subsequent STOA applications.</li> </ul>	<ul style="list-style-type: none"> <li>• Wheeling Charge</li> <li>• Cross Subsidy surcharge,</li> <li>• Additional surcharge, if any</li> <li>• Standby charges, if any</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges as applicable.</li> <li>• Transmission charge (Intra-State)</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level in respect of both Distribution Licensees</li> <li>• Transmission loss in kind. (Intra-State)</li> </ul>



Schedule 1									
Applicant connected to Distribution System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
3.		Injection point in the intra-State transmission system within the State	SLDC	5000	5000	<ul style="list-style-type: none"><li>• Proof of payment of Application fee,</li><li>• Consent from concerned Distribution licensees.</li></ul>	<ul style="list-style-type: none"><li>• 7 working days in case STOA applied for first time.</li><li>• 3 working days on subsequent STOA applications.</li></ul>	<ul style="list-style-type: none"><li>• Wheeling Charge</li><li>• Cross Subsidy surcharge, Additional surcharge, if any</li><li>• Stand-by charges, if any</li><li>• Imbalance and Reactive Energy Charges, as applicable.</li><li>• Scheduling and system Operating Charges, as applicable.</li><li>• Transmission charge (Intra-State)</li></ul>	<ul style="list-style-type: none"><li>• Distribution loss in kind at relevant voltage level.</li><li>• Transmission Loss in kind. (Intra-State)</li></ul>
4.		In different States	RLDC of the region where applicant is located	As per CERC Regulation		<ul style="list-style-type: none"><li>• Proof of payment of Application fee,</li><li>• Consent from concerned SLDCs and Distribution licensees as applicable,</li></ul>	As per Central Commission's Regulation	<ul style="list-style-type: none"><li>• Wheeling Charges</li><li>• Cross Subsidy surcharge, Additional surcharge, if any</li><li>• Stand-by charges, if any</li><li>• Imbalance and Reactive Energy Charges, as applicable.</li><li>• Scheduling and system Operating Charges, as applicable</li><li>• Transmission Charge (Intra-State and Inter State).</li></ul>	<ul style="list-style-type: none"><li>• Distribution loss in kind at relevant voltage level.</li><li>• Transmission Loss in kind. (Intra-State and Inter State).</li></ul>

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Schedule 1									
Applicant connected to Distribution System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
5.	Medium Term Open Access	Both within the same Distribution licensee	SLDC	50000	25000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Consent from concerned Distribution licensees</li> <li>• PPA or Sale purchase agreement of power,</li> <li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA.</li> </ul>	20	<ul style="list-style-type: none"> <li>• Wheeling Charge</li> <li>• Cross Subsidy surcharge, Additional surcharge, if any</li> <li>• Stand by charges, if any</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Transmission charge (Intra State)</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level.</li> <li>• Transmission loss in kind.</li> </ul>
6.		Both within the same State but different Distribution Licensees	STU	100000	50000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• PPA or Sale purchase agreement of power,</li> <li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA,</li> <li>• Consent from concerned distribution licensees</li> </ul>	40	<ul style="list-style-type: none"> <li>• Wheeling Charge</li> <li>• Cross Subsidy surcharge, Additional surcharge, if any</li> <li>• Stand by charges, if any</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges as applicable.</li> <li>• Transmission charge (Intra State)</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level in respect of both Distribution Licensees</li> <li>• Transmission loss in kind. (Intra State)</li> </ul>

Schedule 1									
Applicant connected to Distribution System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from receipt application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
7.		Injection point in the intra-State transmission system within the State	STU	100000	50000	<ul style="list-style-type: none"><li>• Proof of payment of Application fee,</li><li>• PPA or Sale/purchase agreement of power,</li><li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA,</li><li>• Consent from concerned Distribution licensees</li></ul>	40	<ul style="list-style-type: none"><li>• Wheeling Charge</li><li>• Cross Subsidy surcharge, Additional surcharge, if any</li><li>• Stand-by charges, if any</li><li>• Imbalance and Reactive Energy Charges, as applicable.</li><li>• Scheduling and system Operating Charges, as applicable.</li><li>• Transmission charge (Intra-State)</li></ul>	<ul style="list-style-type: none"><li>• Distribution loss in kind at relevant voltage level.</li><li>• Transmission Loss in kind. (Intra-State)</li></ul>



Schedule 1									
Applicant connected to Distribution System									
S. No. (1)	Period (2)	Interse location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from receipt application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
8.		In different States	CTU	As per CERC Regulation		<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• PPA or Sale/purchase agreement of power,</li> <li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA,</li> <li>• Consent from concerned SLDCs and Distribution licensees, as applicable.</li> <li>• Any other documents specified by CERC</li> </ul>	As per Central Commission's Regulation	<ul style="list-style-type: none"> <li>• Wheeling Charges</li> <li>• Cross Subsidy surcharge,</li> <li>• Additional surcharge, if any</li> <li>• Standby charges, if any</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable</li> <li>• Transmission Charge (Intra State and Inter State).</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level.</li> <li>• Transmission Loss in kind. (Intra State and Inter State).</li> </ul>
9.	Long Term Access	Both within the same Distribution licensee	SLDC	50000	25000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Consent from concerned Distribution licensees</li> <li>• PPA or Sale purchase agreement of power,</li> <li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of I TA</li> </ul>	20	<ul style="list-style-type: none"> <li>• Wheeling Charge</li> <li>• Cross Subsidy surcharge,</li> <li>• Additional surcharge, if any</li> <li>• Standby charges, if any</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Transmission charge(Intra State)</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level.</li> <li>• Transmission loss in kind</li> </ul>

Schedule 1									
Applicant connected to Distribution System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
10.		Both within the same State but different Distribution Licensees	STU	100000	50000	<ul style="list-style-type: none"><li>• Proof of payment of Application fee,</li><li>• PPA or Sale/purchase agreement of power,</li><li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of LTA,</li><li>• Consent from concerned distribution licensees</li></ul>	<ul style="list-style-type: none"><li>• 120 days where augmentation of transmission system is not required</li><li>• 150 days, where augmentation of transmission system is required.</li></ul>	<ul style="list-style-type: none"><li>• Wheeling Charge</li><li>• Cross Subsidy surcharge, Additional surcharge, if any</li><li>• Stand-by charges, if any</li><li>• Imbalance and Reactive Energy Charges, as applicable.</li><li>• Scheduling and system Operating Charges as applicable.</li><li>• Transmission charge(Intra-State)</li></ul>	<ul style="list-style-type: none"><li>• Distribution loss in kind at relevant voltage level in respect of both Distribution Licensees</li><li>• Transmission loss in kind. (Intra-State)</li></ul>
11.		Injection point in the intra-State transmission system within the State	STU	100000	50000	<ul style="list-style-type: none"><li>• Proof of payment of Application fee,</li><li>• PPA or Sale/purchase agreement of power,</li><li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of LTA,</li><li>• Consent from concerned Distribution licensee</li></ul>	<ul style="list-style-type: none"><li>• 120 days where augmentation of transmission system is not required.</li><li>• 150 days, where augmentation of transmission system is required.</li></ul>	<ul style="list-style-type: none"><li>• Wheeling Charge</li><li>• Cross Subsidy surcharge, Additional surcharge, if any</li><li>• Stand-by charges, if any</li><li>• Imbalance and Reactive Energy Charges, as applicable.</li><li>• Scheduling and system Operating Charges, as applicable.</li><li>• Transmission charge (Intra-State)</li></ul>	<ul style="list-style-type: none"><li>• Distribution loss in kind at relevant voltage level.</li><li>• Transmission Loss in kind. (Intra-State)</li></ul>

Schedule 1 Applicant connected to Distribution System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany the application (6)	Time frame for disposal of application (days from receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
12.		In different States	CTU	As per CERC Regulation		<ul style="list-style-type: none"><li>• Proof of payment of Application fee,</li><li>• PPA or Sale/purchase agreement of power,</li><li>• In case of generating station not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of LTA,</li><li>• Consent from concerned SLDCs and Distribution licensees as applicable</li></ul>	As per Central Commission's Regulation	<ul style="list-style-type: none"><li>• Wheeling Charges</li><li>• Cross Subsidy surcharge, Additional surcharge, if any</li><li>• Standby charges, if any</li><li>• Imbalance and Reactive Energy Charges, as applicable.</li><li>• Scheduling and system Operating Charges, as applicable</li><li>• Transmission Charge (Intra-State and Inter State).</li></ul>	<ul style="list-style-type: none"><li>• Distribution loss in kind at relevant voltage level.</li><li>• Transmission Loss in kind. (Intra-State and Inter State).</li></ul>



**Schedule 2**

**Applicant connected to intra-State Transmission System**

S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
1.	Short Term Open Access	Both within the same State (in the intra-State transmission system)	SLDC	5000	5000	• Proof of payment of Application fee.	• 7 working days in case STOA applied for first time. • 3 working days on subsequent STOA applications.	• Imbalance and Reactive Energy Charges, as applicable. • Scheduling and system Operating Charges, as applicable • Transmission Charge (Intra-State),	• Transmission Loss in kind. (Intra-State).
2.		Injection point in the distribution system within the State	SLDC	5000	5000	• Proof of payment of Application fee, • Consent from concerned Distribution licensee.	• 7 working days in case STOA applied for first time. • 3 working days on subsequent STOA applications.	• Wheeling Charges, as applicable. • Imbalance and Reactive Energy Charges, as applicable. • Scheduling and system Operating Charges, as applicable • Transmission Charge (Intra-State).	• Distribution loss in kind at relevant voltage level. • Transmission Loss in kind. (Intra-State).

**Schedule 2**

**Applicant connected to intra-State Transmission System**

S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
3.		In different States	RLDC of the region where applicant is located	As per CERC Regulation	As per CERC Regulation	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Consent from concerned SLDCs and Distribution licensee as applicable.</li> <li>• Any other documents specified by CERC.</li> </ul>	As per Central Commission's Regulation	<ul style="list-style-type: none"> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable.</li> <li>• Transmission Charge (Intra-State and inter-State).</li> <li>• Wheeling Charge, if applicable (ie. If fixed charge being paid by applicant could be attributed to wheeling/ distribution network related cost)</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level, if applicable.</li> <li>• Transmission Loss in kind. (Intra-State and Inter State).</li> </ul>
4.	Medium Term Open Access	Both within the same State (in the intra-State transmission system)	STU	100000	50000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• PPA or Sale-purchase agreement of power,</li> <li>• In case of generating station or applicant not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA.</li> </ul>	20	<ul style="list-style-type: none"> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable</li> <li>• Transmission Charge (Intra-State).</li> </ul>	<ul style="list-style-type: none"> <li>• Transmission Loss in kind. (Intra-State).</li> </ul>

Schedule 2									
Applicant connected to intra-State Transmission System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
5.		Injection point in the distribution system within the State	STU	100000	50000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• PPA or Sale-purchase agreement of power,</li> <li>• In case of generating station or applicant not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA,</li> <li>• Consent from concerned Distribution licensee.</li> </ul>	20	<ul style="list-style-type: none"> <li>• Wheeling Charges, as applicable,</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable</li> <li>• Transmission Charge (Intra-State).</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level.</li> <li>• Transmission Loss in kind. (Intra-State).</li> </ul>

6.		In different States	CTU	As per CERC Regulation	As per CERC Regulation	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• PPA or Sale/purchase agreement of power,</li> <li>• In case of generating station or applicant not already connected</li> </ul>	As per Central Commission's Regulation	<ul style="list-style-type: none"> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level, if applicable.</li> <li>• Transmission Loss in kind.(Intra-State and Inter State).</li> </ul>
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Schedule 2									
Applicant connected to intra-State Transmission System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
						to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of MTOA, • Consent from concerned SLDCs and Distribution licensee, as applicable. • Any other document specified by CERC.		<ul style="list-style-type: none"> <li>• Transmission Charge (Intra-State and inter-State).</li> <li>• Wheeling Charge, if applicable (ie. If fixed charge being paid by applicant could be attributed to wheeling/ distribution network related cost)</li> </ul>	

7.	Long Term Access	Both within the same State (in the intra State transmission system)	STU	200000	100000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Bank Guarantee,</li> <li>• PPA or Sale/purchase agreement of power,</li> <li>• In case of generating station or applicant not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of LTA.</li> </ul>	<ul style="list-style-type: none"> <li>• 120 days where augmentation of transmission system is not required.</li> <li>• 150 days, where augmentation of transmission system is required.</li> </ul>	<ul style="list-style-type: none"> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable</li> <li>• Transmission Charge (Intra State).</li> </ul>	• Transmission Loss in kind. (Intra State).
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Schedule 2									
Applicant connected to intra State Transmission System									
S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				

8.		Injection point in the distribution system within the State	STU	200000	100000	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Bank Guarantee,</li> <li>• PPA or Sale/purchase agreement of power,</li> <li>• In case of generating station or applicant not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of LTA,</li> <li>• Consent from concerned Distribution licensee.</li> </ul>	<ul style="list-style-type: none"> <li>• 120 days where augmentation of transmission system is not required.</li> <li>• 150 days, where augmentation of transmission system is required.</li> </ul>	<ul style="list-style-type: none"> <li>• Wheeling Charges, as applicable,</li> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable</li> <li>• Transmission Charge (Intra-State).</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level.</li> <li>• Transmission Loss in kind. (Intra-State).</li> </ul>
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## Schedule 2

Applicant connected to intra-State Transmission System

S. No. (1)	Period (2)	Inter-se location of drawal and injection point (3)	Nodal agency (4)	Application fee (Rs.) (5)		Documents to accompany application (6)	Time frame for disposal of application (days from the receipt of application) (7)	Applicable Charges (8)	Applicable Losses (9)
				For capacity of 10 MW and above (a)	For capacity less than 10 MW (b)				
9.		In different States	CTU	As per CERC Regulation	As per CERC Regulation	<ul style="list-style-type: none"> <li>• Proof of payment of Application fee,</li> <li>• Bank Guarantee,</li> <li>• PPA or Sale-purchase agreement of power,</li> <li>• In case of generating station or applicant not already connected to grid, documentary evidence for completion of the connectivity showing that the same shall be completed before intending date of LTA,</li> <li>• Consent from concerned STU and Distribution licensee, as applicable.</li> </ul>	As per Central Commission's Regulation	<ul style="list-style-type: none"> <li>• Imbalance and Reactive Energy Charges, as applicable.</li> <li>• Scheduling and system Operating Charges, as applicable.</li> <li>• Transmission Charge (Intra State and inter State).</li> <li>• Wheeling Charge, if applicable (ie. If fixed charge being paid by applicant could be attributed to wheeling/ distribution network related cost)</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution loss in kind at relevant voltage level, if applicable.</li> <li>• Transmission Loss in kind. (Intra State and Inter State).</li> </ul>

**APPLICATION FOR GRANT OF SHORT-TERM OPEN ACCESS**

(to be submitted by the customer to SLDC)

To: The Superintending Engineer / SLDC,

1	Customer Application No.	< self generated by customer >	Date	
2	Period of Transaction	< 3 months and more / less than 3 months / day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

< \* In terms of power transfer >

4	Customer Name	
5	Registration Code	Valid up to

< Registration code shall be as provided by SLDC >

6	Details of Transaction Party's to Grid		
		Injecting Entity	Drawee Entity
	Name of Entity		
	Status of Entity*		
	Utility in which it is Embedded		

< \* In terms of ownership- State Utility/CPP/IPP/ISGS/Discom/applicant/specify, if any other >

7	Details of Injecting/Drawee Connectivity with intra-State System		
		Injecting Entity	Drawee Entity
	Name of Sub-station	Transmission	
		Distribution	
	Voltage Level	Transmission	
		Distribution	
	Name of Licensee (Owner of S/S)		
	Intervening intra-State Licensee		
	Intervening inter-State Licensee		

< Distribution license, if required, may treat interface periphery as its connectivity points >

8	Open Access Sought for ( Period from date ____ to date ____ )				
	Date	Hours	Capacity		
	From	To	From	To	MW*

< MW\* at point of injection >

9	Details of PPA/PSA/MoU				
	Name & Address of Parties		Date of	Validity Period	
	Seller	Buyer	PPA/PSA/MoU	Commencement	Expiry

< MW\* at point of injection >



10	Details of Non-Refundable Application Fee Made				
	Bank Details	Instrument Details			Amount(Rs.)
		Type(Draft/Cash)	Instrument No.	Date	

11	I hereby authorize SLDC to process said application, in case open access capacity allotted, for day-ahead scheduling in accordance with the provisions of intra-State ABT.
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12	<u>Declaration</u>
	All Entities/Utilities to transaction shall abide by provisions of the Electricity Act 2003(the Act), TNERC(Intra-State Open Access) Regulations, 2011 and any other relevant Regulation/Order/ code as amended from time to time.

Place

Signature (with stamp)

Date

Name & Designation

Enclosures

- (1) Non-refundable application fee by Demand draft or cash receipt (if payment by cash).
- (2) Self-certified copy of PPA/PSA/MoU entered between the parties (buyer and seller) of transaction stating contracted power, period of transaction, drawal pattern, point(s) of injection and drawal etc.
- (3) Self-certified copies of concurrence of STU and/or transmission licensee and/or distribution licensee. (If period of transaction is of three months and more)
- (4) If any other

Copy along with relevant enclosures [except (1) & (2)] to:

- (1) Managing Director of transmission licensee involved in transaction.
- (2) Director / Distribution of distribution licensee involved in transaction.
- (3) Officer in charge of transmission substation involved in transaction.
- (4) Officer in charge of distribution substation involved in transaction.
- (5) Any other concerned.

For use of SLDC (with Reference to Enrolment of Application)	
SLDC Reference ID No.	
Nodal SLDC Approval No.	< if approved >

Or Reason of Refusal* (If Refused)	
---------------------------------------	--

< \* SLDC may also enclose supporting documents for the reasons of refusal duly signed on each page >

**ACKNOWLEDGEMENT** (for office use only)

**APPLICATION FOR GRANT OF SHORT-TERM OPEN ACCESS (A)** < to be filled by the customer >

1	Customer Application No.	< self generated by customer >	Date	
2	Period of Transaction	< 3 months and more/ less than 3 months/ day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

<\* In terms of power transfer>

4	Customer Name			
5	Registration Code		Valid up to	

< Registration code shall be as provided by SLDC >

**(B)** < to be filled by SLDC >

Date and Time of Receipt of Application	
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Place

Signature (with stamp) Date Name &

Date

Designation

.....  
**ACKNOWLEDGEMENT**

(to be issued by SLDC to the customer immediately on receipt of application duly filled in)

**APPLICATION FOR GRANT OF SHORT-TERM OPEN ACCESS (A)** < to be filled by the customer >

1	Customer Application No.	< self generated by customer >	Date	
2	Period of Transaction	< 3 months and more/ less than 3 months/ day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

<\* In terms of power transfer>

4	Customer Name			
5	Registration Code		Valid up to	

< Registration code shall be as provided by SLDC >

(B) < to be filled by SLDC >

Date and Time of Receipt of Application	
---	--

Place

Signature (with stamp)

Date

Name & Designation

N.B.: This counterfoil may be scored out and issued to the customer.

Formats for Short-Term

FORMAT- ST2

**APPROVAL FOR SHORT-TERM OPEN ACCESS**

(to be issued by SLDC)

Nodal SLDC Approval No.	/ (R-0)	Date	
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< 'R-O' states original approval with revision no. - zero >

1	Customer Application No.	<as provided by customer on FORMAT-ST1>	Date	
2	Period of Transaction	< 3 months and more/ less than 3 months / day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

< \* In terms of power transfer >

4	Customer Name	
5	Registration Code	Valid up to

6	Details of Transaction Party's to Grid		
		Injecting Entity	Drawee Entity
	Name of Entity		
	Status of Entity*		
	Utility in which it is embedded		

< \* In terms of ownership- State Utility/CPP/IPP/ISGS/Discom/Applicant/specify, if any other >

7	Details of Injecting/Drawee Connectivity with intra-State System			
		Injecting Entity	Drawee Entity	
	Name of Sub-station	Transmission		
		Distribution		
	Voltage level	Transmission		
		Distribution		
	Name of Licensee (Owner of S/S)			
	Intervening intra-State Licensee			
	Intervening inter-State Licensee			

< Distribution license, if required, may treat interface periphery as its connectivity points >

8	Open Access Approved for ( Period from date _____ to date _____ )		Revision No.	0
	Month	Date	Hours	Capacity (MW)
				MWh



Copy along with enclosures to:-

- (1) Customer
- (2) Managing Director of transmission licensee involved in transaction.
- (3) Director / Distribution of distribution licensee involved in transaction.
- (4) Officer in charge of transmission substation involved in transaction.
- (5) Officer in charge of distribution substation involved in transaction.
- (6) Any other concerned.

ENCLOSURE to FORMAT- ST2

**SCHEDULE OF PAYMENTS**

(to be enclosed for each month by SLDC along with FOMAT-ST2)

	Nodal SLDC Approval No. / (R-0)	Date	
--	---------------------------------	------	--

< 'R-O' states original approval with revision no. - zero >

1	Customer Application No.	<as provided by customer on FORMAT-ST1>	Date	
2	Period of Transaction	< 3 months and more/less than 3 months / day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

<\* In terms of power transfer>

4	Customer Name		
5	Registration Code	Valid up to	

6	Tentative* Monthly Payment Schedule for Short-Term Open Access Charges ( Period: date ____ to date ____ )			Month	
	Payment Chargeable for	Rate (Rs./kWh)	MWh	Total (Rs.)	
	(1) Intra-State Network				
	(a) Transmission Charges				
	concerned Transmission Licensee				
	Intervening intra-State Licensee(if any)				
	(b) Wheeling Charges				
	concerned Distribution Licensee				
	Intervening intra-State Licensee(if any)				
	(c) Surcharge				
	concerned Distribution Licensee				
	(d) Additional Surcharge				
	concerned Distribution Licensee				
	(e) SLDC Charges				
	SLDC				

	(2) Inter-State Network			
	Transmission Charges			
	Intervening inter-State Licensee(if any)			
	Total Monthly Payment Amount (Rs.)			

Place

Signature (with stamp)

Date

Name & Designation

\* Tentative on the basis of MWh mentioned in application which may vary on actual operation.

FORMATS for Short-Term

**FORMAT- ST3**

### CONGESTION INFORMATION AND INVITATION OF BIDDING

(to be invited by SLDC)

SLDC Bidding Invitation No. \_\_\_\_\_

Date \_\_\_\_\_

1	Customer Application No.	<as provided by customer on FORMAT-ST1>	Date	
2	Period of Transaction	< 3 months and more / less than 3 months / day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

<\* In terms of power transfer>

4	Customer Name	
5	Registration Code	Valid up to

6. The anticipated congestion (transformer and electric line/link) is as follow:

Network Corridor		Congestion Period				Margin/ Capacity	Total Capacity Applied by all the
Sub-station with Transformation	Electric Line/Link	Date		Hours			
		From	To	From	To	MW	MW
Intra-State Transmission System							
Intra-State Distribution System							
Inter-State Transmission System							

7. In view of above please submit bid on format [FORMAT-ST4]. The details for bidding are hereunder:

(a) Bid Invitation Date				Time			
(b) Bid Submission Date				Time			
(c) Bid Opening Date				Time			
(d) Bids Invited for							
Intra-State Network Corridor		Congestion Period				Margin/Capacity	Floor Price
Sub-station	Electric Line/Link	Date		Hours		Available for	
		From	To	From	To	MW	Rs./kWh
Name of Transmission System							
Name of Distribution System							

8. In case of non submission of bid, application for open access shall be deemed to have been withdrawn and shall not be processed.

Place

Signature (with stamp)

Date

Name & Designation

To: Customers with their reference's < as provided by customers at sl.no. 1 on FORMAT-ST1 >

**BID PROPOSAL**

(to be submitted by the customer to SLDC)

Ref: SLDC Bidding Invitation No. \_\_\_\_\_  
\_\_\_\_\_

Date

To: Superintending Engineer / SLDC,

1	Customer Application No.	<as provided by customer on FORMAT-ST1>	Date	
2	Period of Transaction	< 3 months and more / less than 3 months / day-ahead >		
3	Nature of Customer*	< seller/buyer/captive user/trader(on behalf of seller/buyer/captive user) >		

<\* In terms of power transfer>

4	Customer Name			
5	Registration Code		Valid up to	

6. In reference to above bidding invitation, I hereby submit my bid as follows:

Bidding Details as provided by SLDC								Bid Price to be Quoted by Bidder Paise/kWh*
Intra-State Network Corridor		Congestion Period				Margin/Capacity	Floor	
Sub-station	Electric Line/Link	Date		Hours		Available	Price	
		From	To	From	To	MW	Paise./kWh	
Name of Transmission System								
Name of Distribution System								

< \* Bidder shall quote price (rounded-off to whole number) in denotation of floor price >

7. I do hereby agree that determined bid price(s) shall be transmission and/or wheeling charges.

Place

Signature (with stamp)

Date

Name & Designation



## ***Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005***

### **Principal Regulation and Amendments :**

- (1) Notification No.TNERC/LR/12/1, Dated 24-06-2005
- (2) Notification No.TNERC/F&F/4/2-1, Dated 16-11-2006
- (3) Notification No.TNERC/LR/12/2, Dated 04-07-2007

### **Preamble**

Whereas under the Electricity Act 2003, (Central Act 36 of 2003), the State Electricity Regulatory Commission may, on an application made to it, grant a licence to any person to transmit electricity as a transmission licensee; or to distribute electricity as a distribution licensee; or to undertake trading in electricity as an electricity trader in any area as may be specified by the Commission;

And Whereas the State Electricity Regulatory Commission may specify any general and specific conditions, which shall apply either to a licensee or class of licensees and such conditions shall be deemed to be the conditions of such licence;

And Whereas the regulations providing for, among others, the grant of licence, the general or specific conditions applicable to the licensees shall be subject to the condition of previous publication; and accordingly undergone previous publication;

Now, Therefore, in exercise of the powers conferred by section 181 of the Electricity Act 2003 and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations, namely:

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**PROFORMA OF PUBLICATION OF NOTICE OF APPLICATION  
FOR GRANT OF LICENCE FOR TRANSMISSION / DISTRIBUTION / TRADING**

**FORM No. 1: APPLICATION FORM FOR A TRANSMISSION  
LICENCE IN THE STATE OF TAMIL NADU**

Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

**FORM No. 2: APPLICATION FORM FOR A DISTRIBUTION LICENCE IN  
THE STATE OF TAMIL NADU**

Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

**FORM No. 3: APPLICATION FORM FOR A TRADING LICENCE IN THE  
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Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

**FORM No. 4: AFFIDAVIT**

**FORM No. 5: FORMAT AND CONDITIONS OF TRANSMISSION LICENCE**

SCHEDULE 1

**FORM No. 6: FORMAT AND CONDITIONS OF DISTRIBUTION LICENCE**

SCHEDULE 1

**FORM No. 7: FORMAT AND CONDITIONS OF LICENCE OF AN  
ELECTRICITY TRADER**

SCHEDULE 1

**EXTRACTS FROM THE ARBITRATION & CONCILIATION ACT, 1996**

**1. Short title, Commencement and Extent**

- (1) These Regulations may be called the 'Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005'.
- (2) These Regulations shall come into force on the date of their publication in the *Tamil Nadu Government Gazette*.
- (3) These Regulations extend to the whole of the State of Tamil Nadu.

**2. Definitions**

- (1) In these Regulations, unless the context otherwise requires:
  - (a) **"Act"** means the Electricity Act, 2003 (Central Act 36 of 2003);
  - (b) **"Applicant"** means a person who has made an application under Section 15 of the Act to transmit electricity as a transmission licensee or distribute electricity as a distribution licensee or to undertake trading in electricity as an electricity trader;
  - (c) **"Agreement"** means the agreement entered into between the licensees including the agreements between generating companies and licensees/consumers and between distribution licensees and consumers;
  - <sup>1</sup>[(ca) **"Associate"**, in relation to the applicant, includes a person -
    - (i) who, directly or indirectly, by himself, or in combination with relatives, own or controls shares carrying not less than twenty percent of voting rights of the applicant ; or
    - (ii) in respect of whom the applicant, directly or indirectly, by himself, or in combination with other persons, owns or controls shares carrying not less than twenty percent of the voting rights ; or
    - (iii) majority of the Directors of which, own or control shares carrying not less than twenty percent of the voting rights of the applicant; or
    - (iv) whose Director, officer or employee is also a director, officer or employee of the applicant;]
  - (d) **"Commission"** means the Tamil Nadu Electricity Regulatory Commission.

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

(e) **“Conduct of Business Regulations”** means the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004, for the time being in force;

(f) **“Consumer”** means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;

(g) **“Designated Officer”** means an officer of the Commission designated for the specific purpose and shall include the Secretary;

(h) **“distribution”** means the conveyance of electricity by means of a Distribution System;

<sup>1</sup>[(ha) **“Economic offence”** means an offence to which the Economic Offences (Inapplicability of Limitation) Act, 1974 (12 of 1974), is applicable for the time being;

(hb) **“Fraud”** has the same meaning as is assigned to it by section 17 of the Indian Contract Act, 1872 (9 of 1872);]

(i) **“licence”** means a licence granted under section 14 of the Act;

(j) **“licensee”** means a person who has been granted a licence under section 14 of the Act;

(k) **“licensed business”** means the business of transmission or distribution or trading in electricity in the area as authorised under the licence;

<sup>2</sup>[(ka) **“Net worth”** means net worth as defined in the Companies Act, 1956 (1 of 1956) as amended from time to time, including re-enactment thereof;]

(l) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;

<sup>3</sup>[(la) **“Relative”** means a relative as defined in section 6 of the Companies Act, 1956 (1 of 1956);]

(m) **“Secretary”** means the Secretary of the Tamil Nadu Electricity Regulatory Commission;

(n) **“State Load Despatch Centre”** means the centre established under sub- section (1) of section 31;

(o) **“trading”** means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;

(p) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;

(2) Words or expressions occurring in these Regulations and not defined herein but defined in the Electricity Act, 2003 (Act 36 of 2003) or in any other Regulations published by the Commission, shall bear the same meanings assigned to them respectively in the Act and such other Regulations, and as defined and understood in the engineering and commercial circles.

(3) The Conduct of Business Regulations as may be amended from time to time shall, *mutatis mutandis*, as far as practicable and possible, apply to the proceedings under these Regulations.

### 3. Interpretation

In the interpretation of these Regulations, unless the context otherwise requires, the following provisions shall apply

(1) the original Regulations will be in English and they will be translated in Tamil. In case of difference in interpretation of Regulations in Tamil version, the original Regulation in English version will stand.

(2) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;

(3) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;

(4) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force.

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<sup>1</sup>Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

<sup>2</sup>Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

<sup>3</sup>Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

(5) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations.

(6) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be.

(7) Wherever extracts of Electricity Act, 2003 are reproduced, any changes/ amendments to the original Act shall automatically be deemed to be effective under this regulation also.

#### **4. Review**

The Commission from time to time may review these Regulations, particularly with the purpose of harmonising the same with the regulation of open access and/or to cater to the needs of developing power markets, in accordance with section 66 of the Act.

#### **5. Provisions of the Act to grant licence**

Section 12 of the Act, which deals with the requirement of obtaining licence for transmission, distribution or trading electricity reads as follows:

*No person shall-*

- (a) transmit electricity; or*
- (b) distribute electricity; or*
- (c) undertake trading in electricity,*

*unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13.*

Section 13 of the Act, which deals with the power to exempt, reads as follows:

*The Appropriate Commission may, on the recommendations, of the Appropriate Government, in accordance with the national policy formulated under section 5 and in public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users' association, co-operative societies, nongovernmental organizations, or franchisees:*

Section 14 of the Act, which deals with grant of licence, reads as follows:

*The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person –*

- (a) to transmit electricity as a transmission licensee; or*
- (b) to distribute electricity as a distribution licensee; or*
- (c) to undertake trading in electricity as an electricity trader,*

*in any area which may be specified in the licence:*

*Provided that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:*

*Provided further that the Central Transmission Utility or the State Transmission Utility shall be deemed to be a transmission licensee under this Act:*

*Provided also that in case an Appropriate Government transmits electricity or distributes electricity or undertakes trading in electricity, whether before or after the commencement of this Act, such Government shall be deemed to be a licensee under this Act, but shall not be required to obtain a licence under this Act:*

*Provided also that the Damodar Valley Corporation, established under sub-section (1) of section 3 of the Damodar Valley Corporation Act, 1948, shall be deemed to be a licensee under this Act but shall not be required to obtain a licence under this Act and the provisions of the Damodar Valley Corporation Act, 1948, (14 of 1948) in so far as they are not inconsistent with the provisions of this Act, shall continue to apply to that Corporation:*

*Provided also that the Government company or the company referred to in sub-section (2) of section 131 of this Act and the company or companies created in pursuance of the Acts specified in the Schedule, shall be deemed to be a licensee under this Act:*

*Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (relating to the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:*

*Provided also that in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:*

*Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any licence for such generation and distribution of electricity, but he shall comply with the measures, which may be specified by the Authority under section 53:*

*Provided also that a distribution licensee shall not require a licence to undertake trading in electricity.*

Section 15 of the Act, which deals with procedure for grant of licence, reads as follows:

*(1) Every application under section 14 shall be made in such form and in such manner as may be specified by the Appropriate Commission and shall be accompanied by such fee as may be prescribed.*

*(2) Any person who has made an application for grant of a licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted-*

*(i) until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it:*

*Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of the notice as aforesaid;*

*(ii) until, in the case of an application for a licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission has ascertained that there is no objection to the grant of the licence on the part of the Central Government.*

*(3) A person intending to act as a transmission licensee shall, immediately on making the application, forward a copy of such application to the Central Transmission Utility or the State Transmission Utility, as the case may be.*

*(4) The Central Transmission Utility or the State Transmission Utility, as the case may be, shall, within thirty days after the receipt of the copy of the application referred to in sub-section (3), send its recommendations, if any, to the Appropriate Commission:*

*Provided that such recommendations shall not be binding on the Commission.*

*(5) Before granting a licence under section 14, the Appropriate Commission shall*

*(a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;*

*(b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or the State Transmission Utility, as the case may be.*

*(6) Where a person makes an application under sub-section (1) of section 14 to act as a licensee, the Appropriate Commission shall, as far as practicable, within ninety days after receipt of such application,-*

*(a) issue a licence subject to the provisions of this Act and the rules and regulations made thereunder; or*

*(b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force:*

*Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.*

*(7) The Appropriate Commission shall, immediately after issue of a licence, forward a copy of the licence to the Appropriate Government, Authority, local authority, and to such other person as the Appropriate Commission considers necessary.*

*(8) A licence shall continue to be in force for a period of twenty-five years unless such licence is revoked.*

## 6. Initiation of Licensing process

(1) The Commission may, if it considers it necessary or on the basis of recommendations from Government / State Transmission Utility (STU) invite applications from the public fulfilling such eligibility requirements as may be stipulated by it from time to time for grant of transmission licence / distribution licence as the case may be, by public notification through issue of advertisements in newspapers, always guaranteeing the principles of transparency.

(2) Suo motu applications for distribution or transmission licence, if received without any specific notifications to this effect by the Commission, shall be considered by the Commission in the following way:

(a) The Commission will satisfy itself that the proposal is technically and otherwise a viable one. It will improve the consumer's interest and also promote competition;

(b) Public will be informed regarding the receipt of such a suo motu application and further applications will be invited from any other interested (parties) persons;

(c) Based on all applications received these regulations along with the procedures laid down will be followed for issue of licence.

## 7. Application for grant of licence

(1) The application for grant of licence under section 14 of the Act, to transmit electricity or distribute electricity or to undertake trading in electricity shall respectively be in Form No. 1, Form No. 2 and Form No. 3 specified as Annexures 2, 3 and 4 of these regulations and shall be accompanied by the proof of payment of such fees as prescribed by the State Government.

(2) Every application for a licence shall be signed by the applicant or his authorised representative and shall be addressed to the Designated Officer of the Commission. The application shall be filed in five sets or such number of copies as the Commission may direct, and each set shall be accompanied by;

(a) three sets of maps of the proposed area of transmission or distribution. Such maps shall be on a scale of

(i) not less than 10 cm to a km or

(ii) such other scale as may be approved by the Commission in the circumstances of the case.

(b) a list of all local authorities vested with the administration of any or all the portion of the area of transmission or distribution or trading;

(c) an approximate statement describing any lands which the applicant proposes to acquire for the purpose of the licence, under the provisions of the Land Acquisition Act, 1894 (Act 1 of 1894) and the proposed means of such acquisition;

(d) a detailed description of the existing assets if any, in the applicant's proposed area of activity, including the single line diagram of the network as well as an executive summary of the existing facilities, details of other equipments/apparatus in his area including number and details of sub-stations, details of transformers, a description of the metering systems and other relevant details of the system.

(e) an approximate statement of the capital proposed to be expended in the proposed area of activity of the licence and such other particulars as the Commission may require;

(f) a copy of the Memorandum of Association (MoA) and Articles of Association (AoA) of the company where the applicant is a body corporate, Certificate of Incorporation/ Registration, Certificate of commencement of business, details of Income Tax registration or Tax Account Number and similar statutory documents in all cases;

(g) Audited annual accounts for previous five years in case the applicant was in the same business or the project report certified by the chartered accountant;

(h) proof for having paid the application fee;

(i) details and background of the applicant;

(j) such other documents/information as the Commission may, in this regard, require by order.

(k) in case of an applicant seeking a trading licence, volume of power intended to be traded during the first year after grant of licence and the future plans for trading during the next five years.

(3) The application for licence shall be supported by an affidavit in Form No. 4 in the Annexure 5 with these Regulations sworn before Advocate / Notary Public / Magistrate / Gazetted officer.

<sup>1</sup>[(4) A person applying for grant of a licence, for distribution of electricity through his own distribution system within the same area of supply of an existing distribution licensee shall, comply with such additional requirements including capital adequacy, credit worthiness or code of conduct as prescribed by the Central Government in Distribution of Electricity Licence (additional requirement of Capital Adequacy, Credit worthiness and Code of Conduct) Rules, 2005 and as amended from time to time.]

(5) Any Person applying for licence to undertake trading in electricity in the State of Tamil Nadu shall duly fulfil the conditions of capital adequacy requirement and credit worthiness as specified under sub-regulation (6) and technical requirement, as stipulated under sub-regulation (7).

(6) Capital adequacy requirement, and creditworthiness of electricity trader:

(a) Having regard to the volume of trading proposed to be undertaken, the networth of an electricity trader at the time of his application shall be as set out in the Table 1 hereunder:-

**Table 1 – Net Worth**

S. No.	Category	Volume of electricity proposed to be traded (in kWh) per annum	Minimum Networth (in Rs. Crores)
1	A	Less than 50 MU	1
2	B	Greater than 50 MU and equal up to 100	2
3	C	Greater than 100 MU and equal up to 200 MU	4
4	D	Greater than 200 MU and equal up to 300 MU	6
5	E	Greater than 300 MU and equal up to 400 MU	8
6	F	Greater than 400 MU and equal up to 500 MU	10
7	G	Greater than 500 MU	Trade volume (in kWh) x Rs. 0.2

(b) An applicant applying for a trading licence, and if the applicant is a company, the promoters of the company, and if the applicant is a partnership firm, the partners of the firm, shall at no time have been classified as “wilful defaulter” by the Reserve Bank of India or other relevant authority.

(c) If the applicant is a company, which has been rated by a credit rating agency within a period of eighteen (18) months prior to the date of the application for grant of trading licence, it shall have a rating above ‘B’.

(d) Where an applicant has one or more borrowal accounts with a bank (s), all such accounts should be classified as ‘Standard’ by each of its bankers.

(7) Technical requirements of the applicant applying for a licence:

The applicant for a licence shall have:

(a) at least one full-time professional in the relevant discipline with a minimum of twenty years experience to lead the organisation along with sufficient engineering personnel commensurate with the quantum and nature of works involved in the licensed business.

(b) at least one full-time finance/ accounts professional with a minimum of twenty years experience to lead the finance and accounting wing, along with sufficient finance and accounting personnel commensurate with the quantum and nature of works involved in the licensed business.

(c) sufficient skilled staff, including those at the lower levels with adequate qualifications and experience and basic computer awareness, in order to discharge technical / commercial transactions smoothly.

(d) adequate office area with appropriate communication facilities to the satisfaction of the Commission to effectively communicate with the different business associates and regulatory bodies.

(e) to show justification to the satisfaction of the Commission that the technical capability and resources exhibited by the applicant are adequate to manage the licensed business.

<sup>1</sup>Substituted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)** which before substitution stood as under:

**“A person applying for grant of a licence, for distribution of electricity through his own distribution system within the same area of supply of an existing distribution licensee shall, comply with such additional requirements including capital adequacy, credit worthiness or code of conduct as may be prescribed by the Central Government.”**



**<sup>1</sup>[7A. Disqualifications :** The applicant shall not be qualified for grant of licence if :

(a) he or any of his partners, or promoters, or Directors or Associates is declared insolvent and has not been discharged ; or

(b) he or any of his partners, or promoters, or Directors or Associates is involved in any legal proceedings, and in the opinion of the Commission grant of licence in the circumstances, may adversely affect the interest of the electricity sector of the consumers; or

(c) he or any of his partners, or promoters, or Directors or Associates has at any time in the past been convicted of an offence involving moral turpitude or any economic offence ; or

(d) an order cancelling the licence of the applicant, or any of his partners, or promoters, or Directors or Associates, has been passed by any Commission on the ground of his indulging in fraudulent and unfair trade practices or market manipulation or activities involving moral turpitude; or

(e) he has in the past been-

(i) refused a licence on the grounds which continue to remain valid ; or

(ii) subjected to any proceedings for contravention of any of the provisions of the Act or the rules or the regulations made thereunder ; or

(f) he is not considered a fit and proper person for the grant of licence for any other reason to be recorded in writing;

**Explanation :** For the purpose of determining as to whether the applicant is a “fit” and proper person, the Commission may take account of any consideration, as it deems fit, including but not limited to the following, namely:-

(i) financial integrity of the applicant

(ii) his competence

(iii) his reputation and character; and

(iv) his efficiency and honesty.]

## **8. Receipt and acknowledgement of application**

Upon receipt of the application for grant of licence along with the proof of payment of such fees as prescribed by the State Government, the Designated Officer shall enter the particulars in a register to be maintained for the purpose and allot a reference number to the application. The Designated Officer shall then dispatch to the Applicant, at the address stated in the application, an acknowledgement stating the date of receipt and the reference number.

## **9. Notice of application and contents thereof**

(1) (a) <sup>2</sup>[The applicant shall, within seven days from the date of the application, publish in two English national daily newspapers, including one economic newspaper and two Tamil daily newspapers having a wide circulation in the area for which the licence is sought, a notice of his application as given in Annexure 1.

Where there is more than one edition of the newspaper (both English and Tamil) in the area for which the licence is applied for, the applicant shall ensure that the notice is published in all such editions.

Provided that the applicant may request the Commission to permit it to refrain from publishing any confidential information in order to protect its business interests or rights in intellectual property and the Commission may grant such request after due consideration.]

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)** which before substitution stood as under:

***“The applicant shall, within seven days from the date of the application, publish in two English national daily newspapers, including one economic newspaper and two Tamil daily newspapers having a wide circulation in the area for which the licence is sought, a notice of his application as given in Annexure-1.***

***Provided that the applicant may request the Commission to permit it to refrain from publishing any confidential information in order to protect its business interests or rights in intellectual property and the Commission may grant such request after due consideration.”***

(b) The applicant shall endeavour that the notice is published in all the newspapers simultaneously on the same day. However, in case the notice is published on different days in different newspapers, the date last published will be deemed to be the date of publication of the notice.

(c) Unless otherwise specified by the Commission, the notice shall be published in at least two successive issues of the dailies.

(2) The applicant shall post complete application along with annexures and enclosures in his own website or any other authorised website to facilitate access to the application by any person through internet. The application with enclosures shall also be submitted to the Commission in a compact disk (CD).

(3) Applicants for grant of transmission licence are required to forward a copy of such application to the State Transmission Utility for recommendation.

(4) In addition to the above, the Commission may direct that notice of the application be served on any designated representative of the Central Government, the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.

(5) The Applicant shall within seven days from the date of publication of the notice as aforesaid submit to the Commission on an affidavit the details of the notice published and shall also file with the Commission relevant copies of the newspapers in which the notice is published.

(6) The applicant shall make sufficient number of copies of application available for inspection by any person.

## **10. Objections and Suggestions**

(1) Any Person intending to object to the grant of the licence shall file objections by way of affidavit within thirty days from the date of publication of the notice referred to in Regulation 9(1)(a) annexing thereto proof of having served copy of such objections upon the Applicant. The objections shall be addressed to the Designated Officer. Upon receipt of such objections, the Designated Officer shall imprint the reference number of the concerned licence application on the same and shall file such objections in the file relating to the concerned licence.

(2) The Designated Officer shall serve a copy of all the objections received by him on the applicant within one week of its receipt.

(3) The applicant may file his comments on the objections or suggestions received in response to the notice within fifteen (15) days of receipt of the objections from the Designated Officer.

(4) The State Transmission Utility shall, within thirty days from the date of receipt of the copy of the application, send its recommendations, if any, to the Commission.

*Provided such recommendations shall not be binding on the Commission.*

## **11. Verification of objections**

Where the application is for grant of licence for an area, which includes the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of Government for defence purposes, the licence shall be granted by the Commission only after ascertaining that there is no objection to the grant of licence on the part of the Central Government.

## **12. Local inquiries and Hearings**

(1) Upon compliance by the applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and upon the expiry of the time for receiving objections, the Commission may consider the application for grant of licence through a hearing or without hearing process as it considers appropriate.

(2) (a) If any person objects to the grant of a licence applied for under the Act the Commission may, if it considers necessary, cause a local inquiry to be held for which the notice in writing shall be given to both the applicant and the objector.

(b) Where a local inquiry is ordered and held under clause (a) above, the Commission shall, in its order requiring the local inquiry, or by further order in writing, specify the time within which the local inquiry is to be completed.

Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local inquiry.

(c) In case such local inquiry is ordered and conducted, a memorandum of the results of the local inquiry made shall be prepared and shall be signed by the applicant, the Designated Officer and such other person as the Commission may direct.

(d) The Commission while hearing the application for the grant of licence shall consider the results of the local inquiry.

(3) The Commission on deciding to follow a public hearing process shall thereafter proceed as far as possible in the same manner as provided in Chapter II of the Conduct of Business Regulations.

(4) The Commission shall give the notice of hearing to the applicant, the Central Government, the State Government and such other authority, person or body as the Commission considers appropriate.

(5) The Commission may determine the manner, the place, the date and the time of the hearing on the application.

### **13. Notification of proposal to grant licence**

Before granting a licence under section 14, the Commission shall publish a notice in two daily newspapers, including one economic newspaper and one Tamil daily having wide circulation in the area for which the licence is sought, stating the name of the person to whom it proposes to issue the licence;

### **14. Grant of licence**

(1) The Commission shall, as far as practicable, within ninety days after receipt of such application,-

(a) issue a licence subject to the provisions of this Act and the rules and Regulations made thereunder after taking all objections/suggestions into consideration; or

(b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force.

*Provided that application shall be rejected unless the applicant is given an opportunity of being heard.*

(2) After issue of licence, the Commission shall forward a copy of the licence to the Government of Tamil Nadu, Central Electricity Authority, local authority and to such other person the Commission may consider it appropriate.

### **15. Format and Date of commencement of Licence and the conditions of the licence**

(1) The licence shall commence from such date as the Commission may specify as the date of commencement of licence.

(2) The format and conditions of licence applicable to a transmission licensee, including any person who is a deemed transmission licensee, under section 14 of the Act, shall be as specified in Form No.5 in the Annexure 6 to these Regulations.

(3) The format and conditions of licence applicable to a distribution licensee, including any person who is a deemed distribution licensee, under section 14 of the Act, shall be as specified in Form No.6 in the Annexure 7 to these Regulations.

(4) The format and conditions of licence applicable to any person undertaking trading of electricity shall be as specified in Form No. 7 in the Annexure 8 to these Regulations.

### **16. Amendment of licence**

(1) The terms and conditions of the licensee may be modified by the Commission in public interest or otherwise on an application made by the licensee.

(2) The procedure specified in Regulation 7 shall mutatis mutandis be applicable in case of licensee making an application for any alteration of or modification to, the terms and conditions of the licence. The notice shall contain the details of amendment / alteration / modification and the reasons thereof.

(3) Where any alterations or amendments in a licence are proposed to be made otherwise than on the application of the licensee, the Commission shall publish the proposed alterations or amendments with such particulars the Commission deems necessary in two English dailies and two Tamil dailies circulating in the Licensee's area of activity.

### **17. Compliance of Codes and Regulations**

The licensees shall comply with all these regulations, conditions of licence, provisions of the Act, rules and provisions in the Tamil Nadu Electricity Grid Code, Tamil Nadu Electricity Supply Code, Tamil Nadu Electricity Distribution Code, Tamil Nadu Electricity Distribution Standards of Performance Regulations and any other codes or regulations in force.

## 18. Duration

(1) The licence shall be valid for a period of twenty-five years from the date of its commencement unless it is revoked by the Commission.

*Provided that at the expiry of the term, the Commission may at its discretion and considering the interest of the public and after giving any member of the public an opportunity to file his objections, if any, extend the licence for such further period, with or without any modification of licence as the Commission may deem fit.*

(2) Unless otherwise specified in writing by the Commission, the procedure for grant of licence shall be followed while dealing with an application for extension of the duration of a licence.

## 19. Deposit of printed copies of licence

(1) Every person who is granted a licence shall within thirty days of the grant thereof arrange to keep the following as specified by Central Electricity Authority.

(a) adequate number of copies of the licence printed;

(b) adequate number of maps prepared showing the area of activity or area of supply as specified in the licence;

(c) a copy of such licence and maps for public inspection at all reasonable times at his head office, at his local offices (if any) and at the office of every local authority within the area of activity or area of supply as the case may be.

(2) Every such licensee shall, within the aforesaid period of thirty days, supply free of charge one copy of the licence and the relevant maps to every local authority within the area of activity or area of supply as the case may be, and shall also make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same, at a price not exceeding normal photocopying charges per copy.

## 20. Revocation

The revocation of the licence shall be as stipulated under section 19 of the Act, which reads as follows:

(1) *If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:-*

*(a) where the licensee in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or rules or regulations made thereunder;*

*(b) where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;*

*(c) where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor-*

*(i) to show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or*

*(ii) to make the deposits or furnish the security, or pay the fees or other charges required by his licence;*

*(d) where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.*

(2) *Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.*

(3) *No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months notice in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.*

(4) *The Appropriate Commission may, instead of revoking the licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.*

(5) *Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.*

*(6) Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceedings which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by the Commission for grant of licence.*

## **21. Settlement of Disputes**

(1) The Commission shall adjudicate upon the disputes between the licensees and generating companies or refer any dispute for arbitration on the application of any of the licensees or the generating companies concerned.

(2) The Commission shall issue notice to the concerned licensees and generating companies to show cause as to why the disputes between them or the matters as specified in the notice should not be adjudicated and settled through arbitration.

(3) The Commission may after hearing the concerned licensees and the generating companies to whom notices have been issued and if satisfied that no reason or cause has been shown against the proposed arbitration, pass an order directing that the matter be referred for adjudication or settlement through arbitration.

## **22. Nomination of Arbitrators**

(1) If the Commission decides to refer the matter to arbitration by a person or persons other than the Commission, the reference shall be:

(a) to sole arbitrator if the parties to the dispute agree on the name of the arbitrator; or

(b) if the parties are unable to agree on the name of the sole arbitrator to be designated by the Commission, the Commission may direct referral of the dispute to three arbitrators taking into account the nature of the dispute and the value involved. In such an event, one arbitrator shall be nominated by each of the parties to the dispute and the third by the Commission:

Provided that if any of the parties fails to nominate the arbitrator or if any of the arbitrators nominated by the parties or the Commission, fails or neglects to act or continue as arbitrator, the Commission shall be entitled to nominate any other person in his place.

(2) The Commission shall not nominate a person as arbitrator to whose nomination any of the licensee or generating companies or other concerned in the arbitration has a reasonable objection on grounds of possible bias or similar such reasons and the Commission considers the objection to be valid and justified.

## **23. Procedure for adjudication, settlement and passing of award**

(1) The procedure to be followed for the arbitration, whether by the Commission itself or by any arbitrator or arbitrators nominated by it shall be as far as possible the same as in the case of hearing before the Commission as provided for in Chapter II of the Conduct of Business Regulations.

(2) The Arbitrator or arbitrators nominated by the Commission after hearing the parties shall pass a speaking award giving reasons for the decision on all issues arising for adjudication and forward the award to the Commission within such time as the Commission may stipulate.

(3) The Commission shall give notice of the award given by the arbitrator or arbitrators appointed by the Commission to the parties concerned and shall give an opportunity to the parties to file objection to the award and reply to the objections within such time as the Commission may direct.

(4) The Commission shall be entitled to pass appropriate orders, as it thinks fit after giving an opportunity of hearing to the parties.

## **24. Cost of arbitration and proceedings**

The cost of the arbitration and proceedings before the Commission shall be borne by such parties and in such sums as the Commission may direct.

## **25. Financial implication and proportion of revenue from other business**

(1) The transmission / distribution licensee may engage, with prior intimation to the Commission, in any other business **for optimum utilisation of its assets** under the licensed business

(2) The transmission / distribution licensee engaging in other business, shall pay to the licensed business at least 50% of its profits earned out of such other business by using this asset, which shall be utilised for reducing the charges for transmission, or wheeling or distribution of electricity

(3) The transmission / distribution licensee engaging in other business, shall not in any manner utilize the assets and facilities of the licensed business or otherwise directly or indirectly allow its other business to be undertaken in a manner that results in the licensed business subsidising its other business.

(4) The transmission / distribution licensee engaging in other business, shall not in any manner, directly or indirectly encumber the assets and facilities of the licensed business for the other business or for any activities other than the licensed business.

(5) The other business carried out by optimally utilising the assets covered under the licence, shall not in any way affect or likely to affect the quality of supply and also quality of service rendered.

## **26. Minimum information to be maintained by the Licensee**

(1) The licensee shall at all times maintain minimum information as detailed in the following sub-clauses to enable any Investigating Authority to accomplish its investigation directed to by the Commission under section 128 of the Act:

(a) Maintenance of separate accounts for other business to ensure that the licensed business does not subsidise the other business;

(b) Records to show that the assets of the licensed business is not encumbered to support other business;

(c) Information on revenue from other business allocated to licensed business;

(d) Approval of Commission, if any, on assignment of licence, transfer of assets, acquisition of utility of other licensee within the same State;

(e) Quantum of compensation paid automatically and on claim for failure to achieve each of the standards of performance prescribed;

(f) Details of accidents and major incidents occurred in the area of activity;

(g) Books of accounts with subsidiary ledgers to verify the billing and collection of the charges at the rates approved by the Commission; and

(h) Registers showing the number of complaints/grievances received and disposed of and the details of awards by Ombudsman.

(2) The information thus maintained shall be verified, validated and updated regularly by the licensee.

(3) The transmission licensee shall at all times maintain, updated information on operational details specified herein in the manner as may be required under the Tamil Nadu Electricity Grid Code, of its licensed business.

(a) Sub-station details (*incomer source, outgoing feeder, transformation capacity, Current Transformer, Potential Transformers, etc*), single line diagrams (*showing lines [incl. line length, conductor size], transformers, feeders, etc.*), metering systems and status

(b) Details of interface points, metering points and status of meters.

(c) Peak Demand (*un-restricted and restricted*), Peak Availability, etc.

(d) Performance details as against the standards specified by the Commission, in the area of connectivity, quality of supply (*voltage, frequency, interruptions [duration and numbers]*), system outage (*planned and unplanned*), energy received, transmitted and system losses, etc.

(e) Connection capacity information.

(f) Details of protection systems.

(4) The distribution licensee shall at all times maintain, updated information on operational details specified herein in the manner as may be required under the Tamil Nadu Electricity Distribution Code and the Tamil Nadu Electricity Supply Code, of its licensed business.

(a) Sub-station details (*incomer, source, outgoing feeder, distribution transformer capacity, Current Transformer, Potential Transformers, etc*), single line diagrams (*showing lines [incl. line length, conductor size], transformers, feeders, etc.*), metering systems and status.

(b) Details of interface points, metering points and status of meters.

(c) Peak Demand (*un-restricted and restricted*), Peak Availability, availability of system capacity to allow open access, etc.

(d) Performance details as against the standards specified by the Commission, with reference to Quality of Supply (*voltage, frequency, interruptions [duration and numbers]*), System Outage (*planned and unplanned*), energy received, transmitted and system losses, etc.

(e) Records of application requiring supply (status and connection details)

(f) Billing (*records of meter reading, copies of bills generated, evidence of issuance of bills, records with billing details, etc.*), Collection (*details of collection, copies of bill receipts, etc.*), details of disconnection (*evidences of issuance of notice, effecting of disconnection, etc.*).

(5) The trading licensee shall at all times maintain, updated information on operational details specified herein in the manner appropriate, of its licensed business.

(a) Details of the various Agreements including billing and settlement agreement;

(b) Quantum electricity traded and the source thereof;

(c) Details of beneficiaries of trade;

(d) Details of any default in supply; and

(e) Details of disputes in bills.

## **27. Notice of acquisition or merger of any utility of Licensee with that of any other Licensee**

(1) For purpose of securing the prior approval in terms of section 17 of the Act, the Commission shall require the applicant to first publish the brief particulars of his application in two English dailies and two Tamil dailies circulating in the area to which the proposed acquisition relates. The Commission would consider all objections received within thirty days of the date of publication of the notice before granting or refusing the approval sought.

(2) The procedure in the Conduct of Business Regulations shall as far as practicable apply to proceedings under sub-regulation (1).

## **28. Regulation of Licensee's purchase of power**

(1) The licensee shall file with the Commission, complete copies of all power purchase agreements already entered into by it.

(2) The licensee shall establish to the satisfaction of the Commission that the purchase of power by the licensee is under a transparent procurement process and is economical and the power purchased is necessary for the licensee to meet its service obligation, and the licensee shall produce all necessary documentary and other evidence to satisfy the Commission of the same.

(3) As far as possible power procurement shall be through a transparent competitive bidding mechanism in accordance with guidelines issued by the Central Government.

(4) The licensee shall purchase power from renewable energy sources as directed to by the policy on purchase of power from renewable energy sources and cogeneration in Tamil Nadu.

## **29. Saving of inherent power of the Commission**

(1) Nothing in these regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

(2) Nothing in these regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.

(3) Nothing in these regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no Regulation have been framed, and the Commission may deal with such matters with powers and functions in a manner it thinks fit.

## **30. General power to amend**

The Commission may, at any time and on such terms as to costs or otherwise, as it may think fit, amend any defect or error in any proceeding before it, and all necessary amendments shall be made for the purpose of determining the real question or issue arising in the proceedings.

### **31. Power to remove difficulties**

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, take action, for removing the same, consistent with the provisions of the Act.

### **32. Power to dispense with the requirement of these Regulations**

The Commission shall have the power, for reasons to be recorded in writing to dispense with the requirements of any of these regulations in a specific case or cases and such cases shall be made known to public.

### **33. Extension or abridgment of time prescribed**

Subject to the provisions of the Act, the time prescribed by these regulations or by order of the Commission for doing any act may be extended (whether it has already expired or not) or abridged for sufficient reason by order of the Commission.

### **34. Effect of non-compliance**

Failure to comply with any requirement of these regulations shall not invalidate any proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

### **35. Enforcement of order passed by the Commission**

(1) When the Commission is satisfied that a licensee has failed to comply with any of the conditions of the licence or provisions of the Act or codes or regulations, it may direct an investigation into the affairs of the licensee at the cost of the licensee.

(2) The investigating authority shall conduct the investigation in accordance with the provisions of section 128 of the Act.

(3) On receipt of investigation report from the investigating authority, the Commission may in accordance with the provisions of the Act and giving such opportunities to the licensee to make representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-

(a) Require the licensee to take such action in respect of any matter arising out of the report as the Commission may think fit;

(b) Cancel the licence or suspend in the case of distribution licensee

(4) The Commission may also, after giving reasonable notice to the licensee publish the report submitted by the investigating authority.

(5) The Secretary shall ensure enforcement and compliance of the orders passed by the Commission, as directed to under the Conduct of Business Regulations and in accordance with the provisions of section 129 of the Act.

### **36. Service and publication of notice**

1. When the Commission is satisfied, based on the materials in its possession, that the licensee is contravening or likely to contravene any of the conditions for grant of licence or grant of exemption or has contravened or likely to contravene any of the provisions of the Act, it shall by an order give necessary directions to secure compliance with that condition or provision duly taking into account the loss or damage to any person consequent to such contravention and after giving notice to the licensee.

2. The notice shall be served to the address of the licensee by Registered Post with Acknowledgement Due or through Special Messenger and signed acknowledgement receipt obtained.

3. In case the premise is found locked it shall be served by affixing the notice on the conspicuous part of the premises.

4. The notice shall also be published in two English and one Tamil newspaper having wide circulation in the licensee's area of activities.

### **37. Cognizance of offence**

No court shall take cognizance of an offence punishable under the Act except upon a complaint, in writing, made by the Commission or by any other officer duly authorised by the Commission for this purpose.

(By Order of Tamil Nadu Electricity Regulatory Commission)

R. BALASUBRAMANIAN,  
*Secretary.*



## Annexure 1

### PROFORMA OF PUBLICATION OF NOTICE OF APPLICATION FOR GRANT OF LICENCE FOR TRANSMISSION/ DISTRIBUTION/ TRADING

[See Regulation 9(1)(a)]

#### <sup>1</sup>[Name and address of the applicant

#### Notice under Regulation (9) (1) (a) of Tamil Nadu Electricity (Licensing) Regulation]

Notice is hereby given to all the interested persons that We, Messrs. .... (name and address of the Applicant) have applied to the Tamil Nadu Electricity Regulatory Commission (the Commission) for grant of licence to or amendment to the conditions of licence ..... (nature of the licence) in the area ..... (specify the area of activity). The application and other documents filed by us can be inspected at our office of ..... (address of the Applicant's office) and the copies of the same will be available from us for Rs. ... (for a price not exceeding the normal photocopy charges). The complete application is available in our website .....

Any person who has objection to or otherwise for grant of licence may forward the objection/representation to the Commission's office situated at ..... (address) in ..... copies by hand delivery or by registered post and should serve a copy of the objection/representation to us. at the address mentioned above.

#### GENERAL INFORMATION OF APPLICANT

##### 1. Details of Applicant

- a. Full Name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation & Address of the Contact Person :
- d. Contact Telephone Numbers :  
Fax Number(s) :  
Email ID :

##### 2. Details of Ownership

(a) Company/ Firm/ Association of persons/ Co-operative Society/ Others (specify)

- (b) Company Incorporation/ Registration  
Place of Incorporation/ Registration :  
Year of Incorporation :  
Registration Number :

(c) Name and Address of Directors/ Principal Shareholders/ Partners/ Members

##### 3. Area of Activity

##### 4. Volume of Business for five years

In case of notice of application for amendment to the conditions of licence, the details of amendments sought for and the reasons therefore shall be furnished in the notice.

The person filing the objection/ representation should give the following particulars

- 1. Name and full address
- 2. Grounds/reasons in support of the objection/representation together with documents or evidence, if available
- 3. Whether he wishes to be heard in person or through authorised representative at the time of hearing.
- 4. An affidavit for verification of information.

<sup>1</sup>Substituted for the expression "NOTICE" as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007**  
(w.e.f. 25-7-2007)

## Annexure 2

### FORM No.1: APPLICATION FORM FOR A TRANSMISSION LICENCE IN THE STATE OF TAMIL NADU

[See Regulation 7(1)]

#### PART A : GENERAL INFORMATION OF APPLICANT

1. Details of Applicant
  - (a) Full Name of the Applicant :
  - (b) Full Address of the Applicant :
  - (c) Name, Designation and Address of the Contact Person :
  - (d) Contact Telephone Numbers :  
Fax Number(s) :  
Email ID :
2. Details of Ownership
  - (a) Company/ Firm/ Association of persons/ Co-operative Society/ Others (specify)
  - (b) Company Incorporation/ Registration  
Place of Incorporation/ Registration :  
Year of Incorporation :  
Registration Number :  
(c) Name & Address of Directors/ Principal Shareholders/ Partners/ Members
3. Details of the area and transmission network for which transmission licence has been sought:
  - a. Boundaries of the proposed area of transmission
  - b. Coverage of transmission network
  - c. Voltage Class of Line
  - d. Length of Line (Ckt. Kms)
  - e. Circuit (Single/ Double)
  - f. Location of the Substation
  - g. Voltage Level (s) of Substation
  - h. Transformer (Nos. & Capacity in MVA)
  - i. Shunt Reactor (Nos. & Capacity in MVAR)
  - j. Static Var Compensator (Nos. & Capacity in MVAR)
  - k. Number of Bays
4. Organisational Capabilities
  - (a) Management capability
  - (b) Financial Strength
  - (c) Ability to discharge transmission activities in a sustainable manner
5. Whether the area of activity falls under cantonment/ aerodrome/ fortress/ arsenal/ dockyard/ camp or place for the occupation of the Government for defence purpose.
6. Date from which licence is sought

## **PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

### **1. Documents (attested copies) to be submitted along with the licence application**

- (a) Information relating to pre-existing licence (if any), with copy of licence/sanction
- (b) Certificate of Incorporation/ Registration.
- (c) Certificate of commencement of Business.
- (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
- (e) Articles of Association, Memorandum of Association and similar constitutional documents.
- (f) Income Tax - PAN/TAN.
- (g) Details of import licence, if any.

### **2. Data relating to Management and Financial capability**

#### **(a) Managerial**

- (i) Senior management's curriculum vitae
- (ii) Cadre strength for different categories (technical and non-technical)

#### **(b) Financial**

- (i) Bank references asserting that the Applicant is financially solvent
- (ii) Audited Annual Accounts for the past 5 years for the Applicant

#### **(c) Any other document evidence to substantiate the financial capabilities, technical competence and others.**

#### **(d) Data relating to the Applicant's Proposed Business.**

(e) Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise load growth, year wise transmission loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).

(f) Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

### **3. Detailed Map**

#### **a. Detailed electrical transmission map (including information on substations and configuration of the system).**

b. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence.

#### **c. A list of all local authorities vested with the administration of any portion of the area of transmission.**

4. An approximate Statement describing any lands, which the Applicant proposes to acquire for the purpose of the licence and the means of such acquisition.

Date:

*Signature of the Applicant.*

**PART C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT**

*(This form to be filled by an Applicant applying for a transmission licence)*

**1. Previous Experience (Past 5 years details of Related Business)**

*[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]*

<b>General Information</b>					
Name and Address of the Transmission/Distribution project developed					
Brief description of project developed					
Participation Status of the applicant on the above projects					
Cost of the project (s) developed – Rs. Lakhs.					
Name and Address of the Client company for whom the project were developed					
Name, Designation & Address of Reference person of Client Company					
<i>Details of Transmission/ Distribution project (s) managed in the last 5 years – Commercial Operations</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<b>Asset Base</b> Transformers (Nos.) 1 MVA 2 MVA 3 MVA 4 MVA 5 MVA Others ( <i>specify</i> ) HT Line (Ckt. Kms) 400 kV 220 kV 110 kV 66 kV Others ( <i>specify</i> ) Shunt Reactor (Nos. and Capacity in MVA) Static Var Compensator (Nos. & Capacity in MVAR) Number of Bays					
Number of Contracts with details Transmission Domestic International Distribution Domestic International					

Specific details of Projects (Top 5 Projects)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)
Timelines Commencement of Construction Scheduled Date Actual Date Commissioning Scheduled Date Actual Date Commercial Operations Scheduled Date Actual Date Project Cost Estimated Cost Actual Cost on Completion					
<i>Financial Information (Rs. Lakhs)</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Inst. Public Others ( <i>specify</i> )					
Liabilities Long Term Short Term					
Income Transmission Service Distribution Service Others ( <i>specify</i> )					
Expenses Admin. & General Expense Repairs & Maintenance Employee Cost Interest & Financial Charges Long Term Short Term Others ( <i>specify</i> )					
Profits and Returns Net Profits Dividends Paid					

We hereby certify that we are a Power Utility owning & maintaining transmission lines of 66 kV or higher voltage level. Details of all the transmission lines & sub-stations of 66 kV or higher voltage level owned and maintained by us are given below (As applicable):

Name of the Sub-station	Voltage level Sub-station	Name of the Line(s)	Voltage level of the Line	Circuit (S/C or D/C)	Length of the Line(s) Ckt. Kms.	No. of Transformer, Bays, Reactors etc.,	Capacity of Transformers/ Reactors (MVA/ MVAR)	State/ Country where located.
1.								
2.								
3.								
4.								
5.								

## 2. DETAILS OF PROPOSED PROJECT (BUSINESS FOR WHICH LICENCE IS SOUGHT)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

(i) Is the applicant acquiring Existing Assets or Creating New Assets?

(ii) For Applicants acquiring Existing Assets or Creating New Assets

Funding	
Proposed means of Finance Equity (Rs. Lakhs) Applicant Co-promoters Others ( <i>specify</i> ) Debt Domestic (Rs. Lakhs) Indian Financial Institutions Commercial Banks Others ( <i>specify</i> ) International (FC Million) Supplier's Credit Direct Borrowing Others ( <i>specify</i> ) Equivalent INR (with Exchange rate used) Others ( <i>specify</i> )	
In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency	
Name and Address of the Agency, and contact details of the reference person of the Agency ( <i>name, address, telephone/fax</i> )	

<p><i>numbers, email, etc.,)</i></p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Currency in which Equity is proposed</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement/Project</p> <p>Details of Lenders (<i>name and address</i>).</p> <p>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought the loans from any agency.</p> <p>If Yes, provide details</p>	Yes/No
(iii) For Applicants creating New Assets	
<p>EPC</p> <p>Whether the Applicant is proposing to employ an EPC Contractor.</p> <p>If Yes, Name, Address and contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	Yes/No
(iv) For Applicants employing other contractors	
<p><b>Other Contracts</b></p> <p>Whether the Applicant is proposing to employ any Contractor(s) for Operation and Maintenance work.</p> <p>If Yes, Name, Address &amp; contact details of the same.</p> <p>Period of the Contract</p> <p>Details of the experience of the O&amp;M contractor in similar business(es)</p>	<p>Yes/No</p> <p>Yes/ No</p>

**Note :**

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.
2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission

**3. Appropriate Expertise (Personnel)**

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm
1.				
2.				
3.				
4.				
5.				

**Note :** Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance, should be part of the Core team.

#### 4. Revenue Potential (Business for which licence is sought)

<b>General Information</b>					
In case of acquired assets					
Quantum transmitted during previous financial year (MU)					
Expected life of assets acquired (in years)					
In case of construction of new Assets					
Quantum transmitted during previous financial year on parallel network already existing (MU)					
Transmission of Electricity					
Expected Quantum (MU)					
Anticipated growth in demand (%)					
<b>Commercial / Financial Information</b>					
Prevailing Transmission Tariff (Rs./ Unit)					
Estimated Revenue (Rs. Lakhs)					
Capital Base (Rs. Lakhs)					
Estimated Annual Turnover (Rs. Lakhs)					

#### 5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

<b>General Information</b>					
Names of Subsidiary Business Units	Products Manufactured/Services				
1.	1.				
2.	2.				
3.	3.				
4.	4.				
5.	5.				
<b>Financial Indicators</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters' Government/Financial Institutions					
Public					
Others (specify)					
Liabilities					
Long Term					



[illegible]

## 6. Baseline Information (Business for which licence is sought)

<p><b>General Information</b></p> <p>Assets</p> <p>Transformers (Nos.)</p> <p>1 MVA</p> <p>2 MVA</p> <p>3 MVA</p> <p>4 MVA</p> <p>5 MVA</p> <p>Others (<i>specify</i>)</p> <p>HT Line (Ckt. Kms)</p> <p>400 kV</p> <p>220 kV</p> <p>110 kV</p> <p>66 kV</p> <p>Others (<i>specify</i>)</p> <p>Shunt Reactor (Nos. and Capacity in MVA)</p> <p>Static Var Compensator (Nos. and Capacity in MVAR)</p> <p>Number of Bays</p>	
<p><b>Commercial Information</b></p>	
<p>Metering Points and Status</p> <p>Generation to Transmission (G-T) Interconnection Point Total</p> <p>Interconnection Points</p> <p>No. of points with ToD meters</p> <p>No. of points un-metered</p> <p>Transmission to Transmission (T-T) Interconnection Point Total</p> <p>Interconnection Points</p> <p>No. of points with ToD meters</p> <p>No. of points un-metered</p> <p>Transmission to Distribution (T-D) Interconnection Point</p> <p>Total Interconnection Points</p> <p>No. of points with ToD meters</p> <p>No. of points un-metered</p>	
<p>Communication and Commercial System</p> <p>Is there a SCADA system available?</p> <p>If yes, details</p> <p>Details of arrangement with the Load Dispatch Centre (LDC)</p> <p>Existing Communication System(VSAT/ PSTN/ GSM etc)</p>	<p>Yes/No</p>
<p>Transformation Loss (%)</p>	

**Note :**

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

*Signature of the Applicant*

**Annexure 3**

**FORM No. 2: APPLICATION FORM FOR A DISTRIBUTION LICENCE IN THE STATE OF TAMIL NADU**

[See Regulation 7(1)]

**PART A : GENERAL INFORMATION OF APPLICANT**

1. Details of Applicant

- a. Full Name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation and Address of the Contact Person :
- d. Contact Telephone Numbers :  
Fax Number :  
Email ID :

2. Details of Ownership

- a. Company/ Firm/ Association of persons/ Co-operative Society/ Others (*specify*)
- b. Company Incorporation/ Registration  
Place of Incorporation/ Registration :  
Year of Incorporation :  
Registration Number :
- c. Name and Address of Directors/ Principal Shareholders/ Partners/ Members

3. Details of the area and distribution networks for which distribution licence has been sought:

- a. Boundaries of the proposed area of distribution
- b. Coverage of distribution network
- c. Sourcing of Power
  - i. Voltage Level
  - ii. Point(s) of Sourcing
  - iii. Quantum of electricity
    1. Demand (MW)
    2. Energy (MU)

- d. Distribution of Power
  - i. Voltage Level
  - ii. Point(s) of Delivery
  - iii. Categories of End Consumers
- e. Length of HT Line (Ckt. Kms)
- f. Length of LT Line (Ckt. Kms)
- g. Transformer (Nos. and Capacity in MVA)
- 4. Organisational Capabilities
  - a. Management capability
  - b. Financial strength
  - c. Ability to discharge distribution activities in a sustainable manner
- 5. Whether the area of activity falls under cantonment/ aerodrome/ fortress/ arsenal/ dockyard/ camp or place for the occupation of the Government for defence purpose.
- 6. Date from which licence is sought

#### **PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

- 1. Documents (attested copies) to be submitted along with the licence application
  - (a) Information relating to pre-existing licence (if any), with copy of licence/ sanction
  - (b) Certificate of Incorporation/ Registration.
  - (c) Certificate of commencement of Business.
  - (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
  - (e) Articles of Association, Memorandum of Association and similar constitutional documents.
  - (f) Details of Income Tax PAN/TAN
  - (g) Details of import license, if any.
- 2. Data relating to Management and Financial capability
  - (a) Managerial
    - (i) Senior management's curriculum vitae
    - (ii) Cadre strength for different categories (technical and non-technical)
  - (b) Financial
    - (i) Bank references asserting that the Applicant is financially solvent
    - (ii) Annual Audited Reports for the past 5 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).
  - (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.
- 3. Data relating to the Applicant's Proposed Business
  - a. Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise load growth, year wise distribution loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, program for rural electrification, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).
  - b. Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)
- 4. Detailed Map
  - a. Detailed electrical distribution map (including information on substations and configuration of the system) and geographical map for the proposed area of distribution, drawn to scale (scale not less than 10 Cms to one Km or any other scale as may be approved by the Commission).

- b. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence.
- c. The map shall indicate the streets and roads in the proposed area of distribution in which the electricity is to be distributed.
- d. A list of all local authorities vested with the administration of any portion of the area of distribution.
- e. An approximate Statement describing any lands, which the Applicant proposes to acquire under the provisions of Land Acquisition Act, 1894 (Act 1 of 1894) for the purpose of the licence and the means of such acquisition.

Date

Signature of the Applicant.

### PART C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

(This form to be filled by an Applicant applying for a distribution licence)

#### 1. Previous Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (As applicable)]

General Information					
Name and Address of the Distribution project(s) developed					
Brief description of project developed					
Cost of the project developed – Rs. Lakhs.					
Name & Address of the Client company for whom the project were developed					
Name, Designation and Address of Reference person of Client Company					
<b>Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations</b>	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Transformers (Nos.)					
500 kVA					
250 kVA					
100 kVA					
63 kVA					
25 kVA					
10 kVA					
Others					
<b>Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations</b>	Year 1	Year 2	Year 3	Year 4	Year 5

230 kV					
110 kV					
66 kV					
33 kV					
11 kV					
LT Line (Ckt. Kms)					
440 Volts					
Number of Contracts with details					
Transmission					
Domestic					
International					
Distribution					
Domestic					
International					
Specific details of Projects (Top 5 Projects)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)
Timelines					
Commencement of Construction					
Scheduled Date					
Actual Date					
Commissioning					
Scheduled Date					
Actual Date					
Commercial Operations					
Scheduled Date					
Actual Date					
Project Cost					
Estimated Cost					
Actual Cost on Completion					
Consumer Base (Nos.)					
EHT					
HT Industrial					
LT Industrial					
Commercial					
Domestic					
Agricultural					
Others					

Quantum of Energy Distributed					
Total (Million Units)					
Metered Sales (%)					
Revenue Collection					
Amount (Rs. Lakhs)					
Collection Efficiency (%)					
<b>Financial Information (Rs. Lakhs)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters'					
Government/Financial					
Institutions					
Public Others					
Liabilities					
Long Term					
Short Term					
Income					
Sale of Power					
Others					
Expenses					
Administration and General					
Expense					
Repairs and Maintenance					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others					
Profits and Returns					
Net Profits					
Dividends Paid					

## 2. Details of Proposed Project (Business for which licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

- (i) Is the applicant acquiring Existing Assets or Creating New Assets?
- (ii) Acquiring of Existing Assets / Construction of New Assets

<p><b>Funding</b></p> <p>Proposed means of Finance</p> <p>Equity (Rs. Lakhs)</p> <p>Applicant</p> <p>Co-promoters</p> <p>Others (<i>specify</i>)</p> <p>Debt</p> <p>Domestic (Rs. Lakhs)</p> <p>Indian Financial Institutions</p> <p>Commercial Banks</p> <p>Others (<i>specify</i>)</p> <p>International (FC Million)</p> <p>Supplier's Credit</p> <p>Direct Borrowing</p> <p>Others (<i>specify</i>)</p> <p>Equivalent INR (with Exchange rate used)</p> <p>Others (<i>specify</i>)</p>	
<p>In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency</p> <p>Name and Address of the Agency and contact details of the reference person of the Agency (name, address, telephone/fax numbers, email etc.,)</p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement / Project</p> <p>Details of Lenders (name &amp; address).</p> <p>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought for the loans from any agency.</p> <p>If Yes, provide details</p>	<p>Yes / No</p>
<p>(iii) For Applicants creating New Assets</p>	
<p><b>EPC</b></p> <p>Whether the Applicant is proposing to employ an EPC Contractor.</p> <p>If Yes, Name, Address and contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	<p>Yes/ No</p>



(iv) For Applicants employing other contractors

**Other Contracts**

Whether the Applicant is proposing to employ any Contractor for Operation and Maintenance work.

If Yes, Name, Address & contact details of the same.

Period of the Contract

Details of the experience of the O&M contractor in similar business

Yes/ No

**Note :** Consent letters of the other Agency and Contractors to associate with the Applicant for the above project to be enclosed.

Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

**3. Appropriate Expertise (Personnel)**

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm	

**Note :** Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance, should be part of the Core team.

**4. Revenue Potential (Business for which licence is sought)**

**General Information**

In case of acquired assets

Quantum energy distributed during previous financial year (MU)

Expected life of assets acquired (in years)

In case of construction of new Assets

Quantum energy distributed during previous financial year on parallel network already existing (MU)

Consumer Base (Nos.)

EHT

HT Industrial

LT Industrial

Commercial

Domestic

Agricultural

Others (specify)

Sale of Electricity

Expected Quantum (MU)

Anticipated growth in demand (%)

<b>Commercial Information</b>	
Average Tariff (Rs. / Unit) EHT HT Industrial LT Industrial Commercial Domestic Agricultural Others ( <i>specify</i> )	
Revenue Realization (Rs. Lakhs) Collection Efficiency (%)	
<b>Financial Information</b>	
Capital Base (Rs. Lakhs) Annual Expected Turnover (Rs. Lakhs)	

#### 5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

<b>General Information</b>						
Names of Subsidiary Business Units		Products Manufactured/Services				
1.		1.				
2.		2.				
3.		3.				
4.		4.				
5.		5.				
<b>Financial Indicators</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Fixed Assets						
Gross Fixed Assets						
Accumulated Depreciation						
Net Fixed Assets						
Equity						
Promoters'						
Government/Financial Institutions						
Public						
Others						
Liabilities						
Long Term						
Short Term						
Income						
Sale of Power						
Others ( <i>specify</i> )						

Expenses					
Administration and General Expense					
Repairs and Maintenance					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others ( <i>specify</i> )					
<b>Financial Indicators</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Overall Turnover (Rs. Lakhs)					
Profits and Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy and Credit worthiness					
Debt/Networth					
Debt/Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					

**6. Baseline Information (Business for which licence is sought)**

General Information	
Assets	
Transformers (Nos.)	
500 kVA	
250 kVA	
100 kVA	
63 kVA	
25 kVA	
10 kVA	
Others	
HT Line (Ckt. Kms)	
230 kV	
110 kV	
66 kV	
33 kV	
11 kV	
LT Line (Ckt. Kms)	
440 Volts	
Commercial Information	
Metering Status	
Metered Consumers (as a % of Total Consumers)	
Billing Status	
Billing (as a % of Total Input)	
Revenue Realization	
Revenue Realization per Unit Sale (Rs./ Unit)	
Collection Efficiency (%)	
Loss	
Technical Loss (%)	
Commercial Loss (%)	

**Note :**

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

Signature of the Applicant

**Annexure 4**  
**FORM NO. 3: APPLICATION FORM FOR A TRADING LICENCE IN THE STATE OF TAMIL NADU**  
[See Regulation 7 (1)]

**PART A : GENERAL INFORMATION OF APPLICANT**

1. Details of Applicant—

- (a) Full Name of the Applicant :
- (b) Full Address of the Applicant :
- (c) Name, Designation and Address of the Contact Person :
- (d) Contact Telephone Numbers :  
Fax Number :  
Email ID :

2. Details of Ownership—

- a. Company/ Firm/ Association of persons/ Co-operative Society/Others (specify)
- b. Company Incorporation/Registration  
Place of Incorporation/Registration :  
Year of Incorporation :  
Registration Number :  
c. Name and Address of Directors/Principal Shareholders/Partners/Members

**PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

1. Documents (attested copies) to be submitted along with the licence application

- (a) Information relating to pre-existing licence (if any), with copy of licence/ sanction
- (b) Certificate of Incorporation/Registration.
- (c) Certificate of commencement of Business.
- (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
- (e) Articles of Association, Memorandum of Association and similar constitutional documents.
- (f) Details of Income Tax registration.

2. Organisational and Managerial Capability of Applicant

- (a) Managerial
  - (i) Senior management's curriculum vitae
  - (ii) Cadre strength for different categories (technical and non-technical)
- (b) Financial
  - (i) Bank references asserting that the Applicant is financially solvent
  - (ii) Annual Audited Reports for the past 5 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).
- (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.

3. Data relating to the Applicant's Proposed Business

(a) Approach and Methodology (*Applicant is required to describe Approach and Methodology for establishment of the Trading arrangements as proposed by the Applicant*)

(b) Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise anticipated growth in trade volumes, metering plan, treatment of previous losses, debt restructuring plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).

(c) Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

Date

Signature of the Applicant

## LICENSING REGULATIONS (TRANSMISSION, DISTRIBUTION & TRADING)

### Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

*(This form to be filled by an Applicant applying for a trading licence)*

#### 1. Previous Experience (Past 5 years details for Related Business)

*[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]*

##### General Information

Does the applicant have previous experience in electricity trading? Yes/ No

If yes, Specify location (State/ Country)

Does the applicant have trading experience in any other related sector? Yes/ No

If yes, name the sector

Specify location? (State/Country)

<b>Details of electricity trading in the last 5 years – Commercial Operations</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Trading Volume at various voltage levels (Million Units)					
Bulk trade					
Retail trade					
Number of Ongoing Contracts with details					
Bulk trade					
Retail trade					
Bulk trade (Nos. and Quantum)					
End consumers					
Re-seller(s)/Trader(s)					
Retail trade Consumer Base (Nos. and Quantum)					
High Tension					
Low Tension					
Revenue from electricity trading (Rs. Lakhs)					
Bulk trade					
Retail trade					
<b>Details of trading in other Sectors during the last 5 years–Commercial Operations</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Trading Volume (—Units)					
Bulk trade					
Retail trade					

Revenue from trading (Rs. Lakhs)					
Bulk trade					
Retail trade					
Number of Ongoing trading Contracts with details					
Bulk trade					
Retail trade					
<b>Financial Information (Rs. Lakhs)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Equity					
Promoters'					
Government/ Financial Institutions					
Public					
Others					
Liabilities					
Long Term					
Short Term					
Income					
Electricity trading					
Others					
Expenses					
Administration and General Expense					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others					
Profits and Returns					
Net Profits					
Dividends Paid					

## 2. Details of proposed trading activity (Business for which licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

### Funding

Whether applicant himself shall be financing the proposed trading fully on its own balance sheet Yes / No

Proposed means of Finance

Equity (Rs. Lakhs)

Applicant

Co-promoters

Others

<p>Debt</p> <p>Domestic (Rs. Lakhs)</p> <p>Indian Financial Institutions</p> <p>Commercial Banks</p> <p>Others (specify)</p>	
<p>International (FC Million)</p> <p>Supplier's Credit</p> <p>Direct Borrowing</p> <p>Others (specify)</p> <p>Equivalent INR (with Exchange rate used)</p> <p>Others (specify)</p>	
<p>In case the trading activity is proposed to be jointly funded by an External Agency</p> <p>Name &amp; Address of the Agency and contact details of the reference person of the Agency (<i>name, address, telephone/fax numbers, email, etc.,</i>)</p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p> <p>Details of debt proposed for trading activity</p> <p>Details of Lenders (<i>name and address</i>).</p> <p>Details of Loan</p> <p>packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought for the loans from any agency.</p> <p>If Yes, provide details</p> <p>Minimum level of communication infrastructure available?</p> <p>Any other (specify)</p>	<p>Yes / No</p> <p>Telephone/ Fax/ Internet/ VSAT</p>

**Note :**

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.
2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

**3. Appropriate Expertise (Personnel)**

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm	
1.					
2.					
3.					
4.					
5.					



**Note :** Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Metering, Finance & Commercial transactions should be part of the Core team.

*Knowledge & Understanding of Power Systems Operation (covering Generation Availability, Capacity Utilisation, Demand, Plant Load Factor, Flow of Electricity, etc.), Power Market Operations (Commercial arrangements (PPAs, BSA, TSA etc.) & Communication and Scheduling of Power (Load Dispatch) are required.*

#### 4. Revenue Potential (Business for which licence is sought)

<b>General Information</b> Details of Target Bulk Consumers End Consumer Reseller(s)/ Trader(s)	
Retail Consumer Base (Nos.) High Tension Low Tension Trading of Electricity (Expected Annual) Bulk Trade Expected Quantum (MU) Anticipated demand growth (%) Retail Trade Expected Quantum (MU) Anticipated demand growth (%)	
<b>Commercial Information</b> Existing Average Tariff (Rs./ Unit) Bulk Supply Tariff Retail Supply Tariff High Tension Low Tension	
Financial Information	
Annual Expected Turnover (Rs. Lakhs)	

#### 5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (As applicable)]

<b>General Information</b>	
Names of Subsidiary Business Units	Products Manufactured/Treded
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

<b>Banker's Details</b>					
Details of Bank Accounts Name & Address of the Bank Account Number Contact Person & Details Name of the Representative Designation Contact Numbers Email ID					
<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Institutions Public Others					
Liabilities Long Term Short Term					
Income From Sale From Trading Others					
Expenses Administration and General Expense Repairs and Maintenance Employee Cost Depreciation Interest and Financial Charges Long Term Short Term Others					

<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Overall Turnover (Rs. Lakhs)					
Profits & Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy and Credit worthiness					
Debt/ Net worth					
Debt/ Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					
<b>6. Baseline Information (Business for which licence is sought)</b>					
<b>Commercial Information</b>					
Metering Status					
Total Interconnection points					
Un-metered Interconnection Points					
Metered Bulk Consumers					
Consumers with ToD Meters					
Metered Retail Consumers					
Un-metered Retail Consumers					
Consumers with ToD meters					
Billing Status					
Billing (as a % of Total Input)					
Loss					
Commercial Loss (%)					

**Note :**

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

*Signature of the Applicant*

## Annexure 5

### FORM No. 4: AFFIDAVIT

[See Regulation 7 (3)]

I ..... S/o: ..... Aged ..... Resident of ..... solemnly affirm and state on Oath as follows.

I am Chairperson and Managing Director / Company Secretary / Authorised Signatory ..... (or any other position held by the deponent in the firm or company as the case may be) as such I am well acquainted with the facts of the case. I am authorized to file application, documents, swear affidavits as may be necessary.

The facts stated above in the application and documents provided by me are true to the best of my knowledge and belief.

Signature of the Deponent

This affidavit is solemnly affirmed and signed before me this Day of ..... month of ..... Year

.....

(an Advocate/Notary Public/Magistrate/Gazetted Officer can attest)

## Annexure 6

### FORM No. 5: FORMAT AND CONDITIONS OF TRANSMISSION LICENCE

#### Licence granted for Transmission of electricity

[See Regulations 15(2)]

Licence is granted by the Tamil Nadu Electricity Regulatory Commission under section 14 of the Electricity Act, 2003 (Act 36 of 2003) to ....., for carrying on the business of transmission of electrical energy within the area of activity (as specified under 'licensed activity' in the schedule) and shall be subject to the terms and conditions specified herein. The licence shall come into force from the date of issue of this licence.

## PART - I

### DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires:

(a) **"accounting statement"** means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the licensee engages in any other business or activity for optimum utilisation of its assets in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of transmission licensees and show the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:—

(i) charged from the licensed business to any other business or vice versa together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed ..... business and any other business of the licensee together with a description of the basis of the apportionment or allocation.

However, the deemed licensees under proviso to section 14 of the Act shall continue to maintain the accounts in accordance with Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified or such deemed licensees are reorganised under Section 131 of the Act.

(b) **"Act"** means the Electricity Act, 2003 (36 of 2003);

(c) **"annual accounts"** means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

- (d) **“area of activity”** means the area stated in the licence within which the licensee is authorised to establish, operate and maintain transmission lines;
- (e) **“Auditors”** means the licensee's auditors holding office in accordance with the requirements of sections 224 to 234A or Section 619 as appropriate, of the Companies Act 1956 (1 of 1956);
- (f) **“authorised”**, in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first second third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act;
- (g) **“Commission”** means the Tamil Nadu Electricity Regulatory Commission;
- (h) **“distribution”** means the conveyance of electricity by means of a distribution system;
- (i) **“distribution system”** means a system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.
- (j) **“Force Majeure”** means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (k) **“generating station”** means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switchyard, cables or other appurtenant equipments, if any used for that purpose and the site thereof; a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;
- (l) **“holding company”** shall have the same meaning as assigned to it under the Companies Act, 1956 (1 of 1956);
- (m) **“intervening transmission facilities”** means the electric lines owned or operated by a licensee where such electric lines can be utilized for transmitting electricity for and on behalf of another licensee at his request and on payment of a tariff or charge.
- (n) **“licence”** means the licence granted under Section 14 of the Act;
- (o) **“licensee”** means a person who has been granted a licence under Section 14 of the Act;
- (p) **“licensed business”** means the business of transmission of electricity in the area of activity as authorised under this licence;
- (q) **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (r) **“operational control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipments;
- (s) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;
- (t) **“Overall Performance Standards”** means the standards as may be determined by the Commission pursuant to Section 57 of the Act;
- (u) **“person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (v) **“subsidiary”** shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);
- (w) **“sub-station”** means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cable and other appurtenant equipments and any buildings used for that purpose and the site thereof;
- (x) **“supply”** in relation to electricity means the sale of electricity to a licensee or consumer;
- (y) **“Tamil Nadu Electricity Grid Code”** means the grid code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act;
- (z) **“trader”** means a person who has been granted a licence to undertake trading in electricity under Section 14 of the Act;

- (aa) **"trading"** means purchase of electricity for resale thereof and the expression "trade" shall be construed accordingly;
- (ab) **"transfer"** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ac) **"transmit"** means conveyance of electricity by means of transmission lines and the expression "transmission" shall be construed accordingly;
- (ad) **"transmission lines"** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (ae) **"transmission business"** means the authorised business of a transmission licensee to transmit electricity, whether for its own account or for that of any other person, through any system owned and/ or operated by such licensee;
- (af) **"transmission licensee"** means a licensee authorised to establish or operate transmission lines;
- (ag) **"transmission operating standards"** means the standards related to the licensee's operation of its transmission system stipulated by the Commission in Tamil Nadu Electricity Grid Code;
- (ah) **"transmission planning and security standards"** means the standards related to the adequacy of the licensee's system planning and security of its transmission system as stipulated by the Commission in Tamil Nadu Electricity Grid Code;
- (ai) **"transmission system"** means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (aj) **"use of system"** means use of the transmission system for the transportation of electricity for any person pursuant to a contract entered into with the transmission licensee.
- (ak) **"users"** means anyone who uses the transmission system.
- (al) **"wheeling"** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under Section 62 of the Act;

## **PART - II GENERAL CONDITIONS**

### **3. PERIOD OF THE LICENCE**

The transmission licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the Regulation 20 or under Section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

### **4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

(1) The transmission licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time and all other applicable laws.

(2) The transmission licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

(3) Non compliance of provisions of the Act, Rules, Regulations and Codes will be dealt with in accordance with Regulations 35 and 36 of these Regulations.

## **5. DUTIES OF THE TRANSMISSION LICENSEE**

(1) The transmission licensee shall duly discharge the duties of the transmission licensee as provided under Section 40 of the Act.

(2) The transmission licensee shall provide non discriminatory Open Access to the transmission system for use of the licensees, and generating companies including the captive generating plants and the consumer subject to availability of transmission capacity in the transmission lines and in the case of use of such transmission system for supply of electricity to consumer subject to payment of surcharge to meet the current level of cross subsidy as envisaged in Section 40 read with sub-section (2) of Section 42 of the Act.

(3) The transmission licensee owning or operating intervening facilities shall, under the orders of the Commission, provide such facilities to the extent of surplus capacity available, in his transmission system and in the event of any dispute as to the availability of the surplus capacity the Commission shall determine the same. The charges and terms and conditions for the intervening facilities may be mutually agreed between the licensees and in the event of any disagreement the same shall be decided by the Commission.

(4) The transmission licensee shall not, without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee within the State, or

(b) merge his utility with the utility of any other licensee within the State, or

(c) assign his licence or transfer his utility or part thereof to any person, by sale, lease, exchange or otherwise.

(5) The transmission licensee shall, before obtaining the approval, give not less than one month's notice to every other licensee(s) who transmits or distributes electricity in the area of such licensee who applies for such approval.

*Any agreement relating to the above transaction without approval of the Commission shall be void.*

(6) The transmission licensee shall not engage in the business of electricity trading.

(7) In the event the transmission licensee engages in any other business for optimum utilisation of his assets, he shall ensure that:—

- (a) due intimation to the Commission, about the other business the licensee is proposes to engage is given;
- (b) the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner by reason of the other business;
- (c) at least 50% of its profits earned out of such other business, shall be utilized for reducing the charges for transmission and wheeling;
- (d) separate accounting records as would be required to be kept in respect of such activities are prepared and kept as if they were carried on by a separate entity, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such other business activities are separately identifiable from those of the licensed business;
- (e) the licensed business does not subsidize in any way such other business nor creates encumbrance on its transmission assets in any way to support such other business; and
- (f) the transmission licensee shall be entitled to give equipments/ materials in its possession on hire or lease provided such arrangement results in optimum utilisation and gainful employment of its assets, provided the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner. The transmission licensee shall be entitled to sell or dispose off scrap/ unserviceable/ obsolete material/ equipments. The earnings from such activities shall be recognised in the annual revenue requirement petition to be filed by the licensee to the Commission.

(8) The transmission licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the licensed business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

(9) The transmission licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to him in connection with the licensed business, subject to the following conditions that:—

- (a) such subsidiaries or holding company does not engage in any business activities which the licensee is prohibited from doing or which the licensee is not entitled to engage in without the prior approval of the Commission.
- (b) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;
- (c) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to licensed business; and
- (d) the transmission licensee will give fifteen days' notice with details of such arrangement, to the Commission prior to commencement of the such arrangement.

(10) The transmission licensee may establish subsidiaries or associated companies to conduct or carry out any of the functions, which the licensee is authorised, to conduct or carry out under the Act and this licence. Provided always that:

- (a) any such subsidiary or associated company shall operate under the overall supervision and control of the licensee and upon the terms and conditions of this licence; and
- (b) the licensee shall have, prior to delegating any function to any such subsidiary or associated company, intimate the Commission, subject to such conditions as the Commission may stipulate.
- (c) the licensee shall also be responsible for all actions of the subsidiaries or associated companies and the Commission may require the licensee to terminate the arrangements in case the performance is not to its satisfaction.

Where such prior approval is required, the licensee will file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty days of such further information being submitted by the licensee, and where no such further investigation is required, generally within sixty days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

## 6. ACCOUNTS

(1) Unless otherwise permitted by the Commission the financial year of the licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The transmission licensee shall, in respect of the licensed business and any other business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the licensed business are separately identifiable in the books of the licensee, from those of other business in which the licensee may be engaged;

(b) prepare on a consistent basis from such accounting records and deliver to the Commission.—

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner prescribed by the Commission;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the licensee and the licensee shall render all necessary assistance to such person.

(4) The transmission licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956 or the respective Acts under which the licensee is governed, the accounting standards or rules and any guidelines issued by the Commission in this regard.



(5) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if requested by the Commission. (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(6) Accounting statements under clause (2) shall, unless otherwise approved or directed by the Commission shall:

- (a) be prepared and published with the annual accounts of the licensee, in the manner provided herein;
- (b) state the accounting policies adopted;
- (c) be prepared in accordance with generally accepted Indian accounting standards; and
- (d) be prepared in the form as the Commission may stipulate from time to time.

(7) References to costs or liabilities which are reasonably attributable to licensed business or other business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.

## **7. PROVISION OF INFORMATION TO THE COMMISSION**

(1) The transmission licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the Central Commission and/or the Central Electricity Authority.

(2) The transmission licensee on occurrence of any major incident shall notify the Commission about such occurrence as directed to under the Tamil Nadu Electricity Grid Code and Tamil Nadu Electricity Distribution Code.

(3) The transmission licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its transmission business and any other matter concerning the transmission business that the Commission considers necessary in the public interest.

(4) The transmission licensee shall duly inform the Commission about any incident restricting it from meeting its obligation under the licence granted including any Act of omission or commission by others and steps taken by the Licensee to mitigate the effect of such incident.

(5) The Commission may at any time require the licensee to comply with the provisions of clauses (2) to (4) as to incidents which the Commission may specifically direct and the licensee shall be obliged to comply with the same notwithstanding that such incidents are not major incidents; provided that the time limits specified in clause (2) shall commence from the date that the Commission notifies licensee of such requirement.

(6) The transmission licensee shall submit a business plan, as required under the TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005, within three months of this licence coming into force and shall update such plan annually.

(7) The Commission may require the licensee to intimate by the end of first quarter of each financial year the progress made in implementing the business plan of the previous financial year with the comparison of actual implementation vis-à-vis the plan as approved by the Commission.

## **8. CAPITAL INVESTMENT PLAN**

The licensee shall comply with the provisions relating to Capital Investment Plan as detailed in TNERC (Terms and Conditions for determination of tariff) Regulations – 2005.

## **9. PAYMENT OF LICENCE FEES**

(1) Within 30 days or such further period as the Commission may allow after the coming into force of this licence, the licensee shall pay to the Commission <sup>1</sup>[a licence fee as specified in Regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004], on a prorata basis for the balance period of the year in quarterly instalments as stated in sub-clause (2) below.

(2) For the subsequent financial year(s), for as long as this licence remains in force, the licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission <sup>2</sup>[an annual fee as specified in Regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004.]

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<sup>1</sup>Substituted for the expression "a fee as may be stipulated by the Commission" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16.11.2006 (w.e.f. 3.1.2007)

<sup>2</sup>Substituted for the expression "an annual licence fee as may be specified by the Commission" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16.11.2006 (w.e.f. 3.1.2007)

(3) The Commission may, from time to time, revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by the licensee on/ or before the start of each financial year.

(4) Where the transmission licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:—

(a) without prejudice to other obligations, the licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the licensee, the Commission may revoke this licence pursuant to Section 19 of the Act and Regulation 20 of these regulations.

(5) The transmission licensee shall be entitled to take into account any fee paid by it under this condition 9 as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any interest paid pursuant to this clause.

#### **10. AMENDMENT OF LICENCE CONDITIONS**

(1) Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under Section 18 of the Act. The following provisions shall have effect for any alterations or amendments:—

(a) Where the licensee has made an application under sub-section (1) Section 18, of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9, (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

(c) the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

#### **11. SETTLEMENT OF DISPUTES**

The provisions contained in Regulations 21 to 24 of these regulations, shall apply to any dispute between the transmission licensee and any generating company and such disputes shall be settled in accordance with the provisions contained in the said regulations.

#### **12. TRANSMISSION PLANNING AND SECURITY STANDARDS AND TRANSMISSION OPERATING STANDARDS**

The licensee shall comply with the provisions of Tamil Nadu Electricity Grid Code specified under clause (h) of sub-section (1) of Section 86 of the Act.

#### **13. COMPLIANCE WITH THE GRID CODE BY THE TRANSMISSION LICENSEE**

(1) The transmission licensee shall ensure due compliance with the Indian Electricity Grid Code and Tamil Nadu Electricity Grid Code.

(2) The Commission may, on reasonable grounds and after consultation with any affected Generating Company, the transmission licensee, the State Transmission Utility, the State Load Despatch Centre and electricity traders, issue directions relieving the licensee of its obligation in respect of such parts of the State Grid Code and to such extent as may be decided by the Commission.

#### **14. CONNECTION AND USE OF SYSTEM**

The transmission licensee shall comply with the provisions of the Act and the regulations made thereunder by the Commission in regard to non- discriminatory open access to the use of his transmission system by the users.

## 15. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person, who is a deemed licensee under Section 14 of the Act.

### SCHEDULE 1

#### Licensed Activity

The following transmission systems and transmission corridor as detailed below, in the State of Tamil Nadu, including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the Electricity Act. 2003 and subject to the conditions of licence agreed upon.

.....

.....

.....

(By order of the Commission)

Chennai  
Dated .....

Sd/-  
Secretary/TNERC.

## Annexure 7

### FORM No.6: FORMAT AND CONDITIONS OF DISTRIBUTION LICENCE

#### Licence granted for Distribution of electricity

[See Regulations 15(3)]

Licence granted by the Tamil Nadu Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to \_\_\_\_\_, for carrying on the business of distribution of electrical energy within the area of activity (as specified under 'licensed area of distribution licensee' in the schedule) and shall be subject to the terms and conditions specified herein. The licence shall come into force from.....

#### PART - I

##### DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act, 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires, in these General conditions:

(a) **"accounting statement"** means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (Act 1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the licensee engages in any other business or activity in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of distribution licensees and show the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:—

(i) charged from the licensed business to any other business or *vice versa* together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation. However, The Tamil Nadu Electricity Board, which is a deemed licensee under proviso to Section 14 of the Act shall continue to maintain the accounts in accordance with Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified or such deemed licensees are reorganised under Section 131 of the Act,

(b) **"Act"** means the Electricity Act, 2003 (Act 36 of 2003);

(c) **"annual accounts"** means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 (Act 1 of 1956) and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

(d) **"area of activity"** or **"area of distribution"** or **"area of supply"** means the area stated in the schedule to the licence within which the licensee is authorised to establish, operate and maintain distribution lines and to distribute and supply electricity;

(e) **"Auditors"** means the licensee's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619, of the Companies Act 1956 (Act 1 of 1956) as the case may be;

(f) **"authorised"**, in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth provisos to Section 14 of the Act;

(g) **"Commission"** means the Tamil Nadu Electricity Regulatory Commission;

(h) **"distribution"** means the conveyance of electricity by means of a distribution system;

(i) **"distribution business"** means authorised business of the licensee to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(j) **"distribution licensee"** means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(k) **"distribution system"** means the system of wires and associated facilities between delivery points on the transmission lines or the generating station connections and the point of connection to the installation of the consumers;

- (l) **“distribution system operating standards”** means the standards as specified by the Commission in the Tamil Nadu Electricity Regulatory Commission Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004 and the Tamilnadu Electricity Grid code.
- (m) **“franchisee”** means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply;
- (n) **“Force Majeure”** means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (o) **“generating station”** means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switchyard, cables or other appurtenant equipments, if any used for that purpose and the site thereof; the site intended to be used for a Generating Station, and any building used for housing the operating staff of a Generating Station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub- station;
- (p) **“holding company”** shall have the same meaning as assigned to it under the Companies Act, 1956 (Act 1 of 1956);
- (q) **“licence”** means the distribution licence under Section 14 of the Act under which the licensee is authorised to conduct the licensed business;
- (r) **“licensee”** means any person, who has been granted this licence under Section 14 of the Act;
- (s) **“licensed business”** means the business of distribution of electricity in the area of activity as authorised under this licence;
- (t) **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (u) **“operational control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipments;
- (v) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;
- (w) **“person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (x) **“subsidiary”** shall have the same meaning as in Section 4 of the Companies Act, 1956 (Act, 1 of 1956);
- (y) **“sub-station”** means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cables and other appurtenant equipments and any buildings used for that purpose and the site thereof;
- (z) **“supply”** in relation to electricity means the sale of electricity to a licensee or consumer;
- (aa) **“Tamil Nadu Electricity Distribution Code”** means the Code published by the Commission under Sections 46 and 86 of Act;
- (ab) **“Tamil Nadu Electricity Supply Code”** means the Code published by the Commission under Section 50 of the Act;
- (ac) **“trader”** means a person who has been granted a licence to undertake trading in electricity under Section 14 of the Act;
- (ad) **“trading”** means the purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (ae) **“trading business”** means the authorised business of the trading licensee in the licensed area of activity;
- (af) **“trading licensee”** means the person who is authorised to undertake trading and shall include deemed licensee who is so authorised under Section 14 of the Act;

- (ag) **“transfer”** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ah) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;
- (ai) **“transmission lines”** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (aj) **“transmission system”** means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (ak) **“use of system”** means use of the distribution system for the transportation and wheeling of electricity for any person pursuant to a contract entered into with the distribution licensee.
- (al) **“users”** means anyone who uses the distribution system.
- (am) **“wheeling”** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges stipulated by the Commission under the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for the Determination of Tariff) Regulations, 2005;

**PART - II GENERAL  
CONDITIONS**

**3. TERM OF THE LICENCE**

The distribution licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the provisions of Regulation 20 of these regulations or under Section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

**4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

(1) The distribution licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time.

(2) The distribution licensee shall act in accordance with this General Conditions except where the licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically permitted by the Commission for any deviation therefrom.

(3) The distribution licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

**5. DUTIES OF THE DISTRIBUTION LICENSEE**

(1) The distribution licensee shall duly discharge the duties of the distribution licensee as provided under Section 42 and 43 of the Act.

(2) The distribution licensee shall develop and maintain an efficient, co-ordinated and economical distribution system in the area of distribution and effect supply of electricity to Consumers in such area of distribution in accordance with the provisions of the Act, rules, regulations, orders and directions of the Commission.

(3) The distribution licensee shall be entitled to:—

(a) purchase, import or otherwise acquire electricity from generating company, trader and from such other sources and persons with whom the distribution licensee has agreements or arrangements of power purchase or procurement of energy in accordance with the terms and conditions of such agreement and arrangement as consented to or approved by the Commission;

(b) purchase or acquire electricity from any person whose generating unit existing as on date of the grant of the distribution licence, is directly connected to and interfaced with the distribution system of the licensee, provided that the licensee shall intimate the Commission of the existing arrangements for such purchase or acquisition of electrical energy and obtain the general or special approval of the Commission;

(c) purchase from renewable sources connected to its distribution system in such quantum as may be stipulated by the Commission under Section 86 (1) (e) of the Act.

(d) purchase or otherwise acquire electricity from any person or licensee on the tariffs and terms and conditions as approved by the Commission;

(e) undertake trading in electricity in its area of distribution without the need for a separate trading licence;

(f) sell electricity or energy capacity contracted for such period and to such extent of electricity or capacity is not required by the distribution licensee for the discharge of his obligations to supply electricity in his area of supply.

(g) supply to such persons situated within its area of supply and requiring supply of electricity from a generating company or any licensee other than the distribution licensee in accordance with regulations made by the Commission. The licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access.

(4) The distribution licensee shall not, without the general or special approval of the Commission:—

(a) Sell or supply electricity to any person, other than pursuant only in accordance with this licence, and on the tariffs and terms and conditions as approved by the Commission; or

(b) provide wheeling services to third parties for transportation of electricity through the licensee's distribution system in accordance with the regulations made by the Commission; and where the Commission permits a consumer or class of consumers to receive electricity supply from a person other than the licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling as may be stipulated by the Commission in the open access regulation; or

(c) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee within the State; or

(d) merge his utility with the utility of any other licensee or his own elsewhere within the State; or

(e) assign his licence or transfer his utility or part thereof to any person by sale, lease, exchange or otherwise.

(5) Save as in the case of the consumers of the distribution licensee and persons authorised by the Commission, the licensee shall not commence any new provision of services to any other licensee or person not authorised by the Commission for the conveyance of electricity through its distribution system, without informing the Commission seven days prior to the commencement of such arrangement. In circumstances requiring immediate remedial action in the interest of continuity of supply to the persons other than the consumers, the licensee may commence the activity referred to in this clause, provided that the licensee will inform the Commission of such occurrence or circumstances within seven days thereof.

(6) The distribution licensee shall purchase the energy required for meeting its obligation under its licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the regulations, guidelines, directions made by the Commission from time to time. In case of a shortage of electricity supply, the Commission may fix the maximum and minimum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and the licensee or between licensees for a period not exceeding one year to ensure reasonable prices of electricity for transmission, wheeling and retail sale of electricity.

(7) In the event the distribution licensee engages in any other business the same shall be subject to the following conditions:—

(a) due intimation to the Commission, about the other business the licensee is proposing to engage;

(b) the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner by reason of the other business;

(c) at least 50% of its profits earned out of such other business, shall be utilized for reducing the charges for wheeling;

(d) the distribution licensee shall prepare and keep, in respect of the other business activities, separate accounting records as would be required to be kept in respect of such activities as if they were carried on by a separate entity, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such other business activities are separately identifiable from those of the licensed business;

(e) the licensed business does not subsidize in any way such other business nor creates encumbrance on its distribution assets in any way to support such other business; and

(f) the distribution licensee shall be entitled to give equipments/ materials in its possession on hire or lease provided such arrangement results in optimum utilisation and gainful employment of its assets, provided the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner. The licensee shall be entitled to sell or dispose off scrap/ unserviceable/ obsolete materials/ equipments. The earnings from such activities shall be recognised in the annual revenue requirement petition to be filed by the licensee to the Commission.

(8) The distribution licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the licensed business. The loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

(9) The distribution licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the licensee in connection with the licensed business, subject to the following conditions that:

(a) such subsidiaries or holding company does not engage in any business activities which the distribution licensee is prohibited from doing or which such licensee is not entitled to engage in without the prior approval of the Commission.

(b) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;

(c) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to licensed business; and

(d) the distribution licensee will give fifteen days' notice with details of such arrangements to the Commission prior to commencement of the such arrangement.

(10) The distribution licensee may establish subsidiaries or associated companies or grant a franchisee or enter into management contracts including appointment of billing agent to conduct or carry out any of the functions, which such licensee is authorised to conduct or carry out under the Act and this licence.

Provided always that:

(a) any such subsidiary or associated company or franchisees or contractors or agents shall operate under the overall supervision and control of the licensee and upon the terms and conditions of this licence; and



(b) the licensee shall have, prior to delegating any function to any such subsidiary or associated company or franchisees or contractor, intimate the Commission for transactions of value of greater than Rs. one crore, subject to such conditions as the Commission may stipulate.

(c) The distribution licensee shall also be responsible for all actions of the subsidiaries or associated companies or franchisees or agents or contractors and the Commission may require the licensee to terminate the arrangements in case the performance is not to its satisfaction.

(11) Where such prior approval is required, the distribution licensee shall file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty days of such further information being submitted by such licensee, and where no such further investigation is required, generally within sixty days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

(12) The distribution licensee shall provide open access to the distribution system for use of the distribution licensees and generating company including the captive generating plant and the consumer subject to operational constraints in the distribution system and subject to payment by the user all applicable tariffs and charges as determined or directed to be charged by any general or special order of the Commission.

## **6. ACCOUNTS**

(1) Unless otherwise permitted by the Commission the financial year of the distribution licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The distribution licensee shall, in respect of the licensed business and any other business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the licensed business are separately identifiable in the books of the licensee, from those of other business in which the licensee may be engaged;

(b) prepare on a consistent basis from such accounting records and deliver to the Commission

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner the Commission may direct from time to time;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion, these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the distribution licensee and such licensee shall render all necessary assistance to such person.

(4) The distribution licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956 (Act 1 of 1956) or the respective Acts under which the licensee is governed, the accounting standards or rules and any guidelines issued by the Commission in this regard.

(5) Where, in relation to the accounting statements in respect of a financial year, the Licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the licensee shall, if requested by the Commission (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(6) Accounting statements under sub-clause (2) shall, unless or otherwise approved or directed by the Commission:

(a) be prepared and published with the annual accounts of the distribution licensee, in the manner provided herein;

(b) state the accounting policies adopted;

(c) be prepared in accordance with generally accepted Indian accounting standards; and

(d) be prepared in the form as the Commission may stipulate from time to time;

(7) The references to costs or liabilities of, or reasonably attributable to licensed business or other business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.

(8) The distribution licensee shall ensure that the accounting statements in respect of each financial year prepared under clause (2) and the auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

(9) The Commission may, from such time it considers appropriate, require the licensee to comply with the provisions of clause (1) to (8) above treating the distribution and supply activities of the licensee as separate and distinct businesses and shall comply with any guidelines issued by the Commission in this regard. In order to meet the requirement of open access, the accounting statements should be maintained separately for capital expenditure of the distribution activity and supply activity while for the purposes of revenue expenditure, the segregation of common services may be done by suitably allocating the same.

## **7. PROVISION OF INFORMATION TO THE COMMISSION**

(1) The distribution licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee engaged for optimum utilisation of the assets of the licensed business, as the Commission may require from time to time for its own purposes or for the purposes of the Government of India, State Government, the Central Commission, and/or the Central Electricity Authority, the State Transmission Utility and State Load Dispatch Centre.

(2) The distribution licensee shall furnish information on standards of performance in accordance with regulation 24 of Tamil Nadu Electricity Distribution Standards of Performance Regulations 2004.

(3) The distribution licensee on occurrence of any major incident shall notify the Commission about such occurrence as directed to under the Tamil Nadu Electricity Distribution Code.

(4) The distribution licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its distribution business and any other matter concerning the distribution business that the Commission considers necessary in the public interest.

(5) The distribution licensee shall duly inform the Commission about any incident restricting it from meeting its obligations under its licence including any act of omission or commission by others and steps taken by the licensee to mitigate the effect of such incident.

(6) The Commission may at any time require the licensee to comply with the provisions of clauses (3) to (5) as to incidents which the Commission may specifically direct and the licensee shall be obliged to comply with the same notwithstanding that such incidents are not major incidents; provided that the time limits specified in clause (3) shall commence from the date that the Commission notifies licensee of such requirement.

(7) The distribution licensee shall submit a business plan, as required under the TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005, within three months of this licence coming into force and shall update such plan annually.

(8) The Commission may require the licensee to intimate by the end of first quarter of each financial year the progress made in implementing the business plan of the previous financial year with the comparison of actual implementation vis-à-vis the plan as approved by the Commission.

## **8. CAPITAL INVESTMENT PLAN**

The licensee shall comply with the provisions relating to Capital Investment Plan as detailed in TNERC (Terms and Conditions for Determination of Tariff) Regulations – 2005.

## **9. PAYMENT OF LICENCE FEES**

(1) Within thirty days or such further period as the Commission may allow after the date of commencement of the licence, the licensee shall pay to the Commission <sup>1</sup>[a fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004], on a prorata basis for the balance period of the year in quarterly instalments as specified in sub-clause (2).

(2) For the subsequent financial year(s), for as long as this Licence remains in force, the Licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission <sup>2</sup>[an annual fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004.]

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<sup>1</sup>Substituted for the expression “a fee as may be determined by the Commission” as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006 (w.e.f. 3-1-2007)

<sup>2</sup>Substituted for the expression “an annual licence fee as specified by the regulation” as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006 (w.e.f. 3-1-2007)

(3) The Commission may, from time to time revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by such licensee on/or before the start of each financial year.

(4) Where the distribution licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:

(a) without prejudice to other obligations, the distribution licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the distribution licensee, the Commission may revoke this licence pursuant to section 19 of the Act and regulation 20 of these regulations.

(5) The distribution licensee shall be entitled to take into account any fee paid by it under this clause as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any interest paid pursuant to this clause.

## **10. AMENDMENT OF LICENCE CONDITIONS**

Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under section 18 of the Act. The following provisions shall have effect for any alterations or amendments:

(a) where the licensee has made an application under sub-section (1) of section 18 of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9 (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

## **11. SETTLEMENT OF DISPUTES**

The provisions contained in regulations 21 to 24 of these regulations, shall apply to any dispute between the distribution licensee and any generating company and such disputes shall be settled in accordance with the provisions contained in the said regulations.

## **12. SUSPENSION OF DISTRIBUTION LICENCE**

**The provisions relating to suspension of the distribution Licence and sale of utility as stipulated in section 24 of the Act is applicable and are reproduced below:**

(1) "If at any time the Appropriate Commission is of the opinion that a distribution licensee-

(a) has persistently failed to maintain uninterrupted supply of electricity conforming to standards regarding quality of electricity to the consumers; or

(b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of this Act; or

(c) has persistently defaulted in complying with any direction given by the Appropriate Commission under this Act; or

(d) has broken the terms and conditions of licence,

and circumstances exist which render it necessary for it in public interest so to do, the Appropriate Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the licence of the distribution licensee and appoint an Administrator to discharge the functions of the distribution licensee in accordance with the terms and conditions of the licence:

Provided that before suspending a licence under this section, the Appropriate Commission shall give a reasonable opportunity to the distribution licensee to make representations against the proposed suspension of licence and shall consider the representations, if any, of the distribution licensee.

(2) Upon suspension of licence under sub-section (1), the utilities of the distribution licensee shall vest in the Administrator for a period not exceeding one year or up to the date on which such utility is sold in accordance with the provisions contained in section 20, whichever is later.

(3) The Appropriate Commission shall, within one year of appointment of the Administrator under sub-section (1), either revoke the licence in accordance with the provisions contained in section 19 or revoke suspension of the licence and restore the utility to the distribution licensee whose licence had been suspended, as the case may be.

(4) In a case where the Appropriate Commission revokes the licence under sub-section (3), the utility of the distribution licensee shall be sold within a period of one year from the date of revocation of the licence in accordance with the provisions of section 20 and the price after deducting the administrative and other expenses on sale of utilities be remitted to the distribution licensee."

### **13. COMPLIANCE WITH THE GRID CODE BY THE DISTRIBUTION LICENSEE**

The distribution licensee shall ensure due compliance with the Tamil Nadu Electricity Grid Code specified by the Commission under clause (h) sub-section (1) of section 86.

### **14. COMPLIANCE WITH THE ELECTRICITY SUPPLY CODE AND DISTRIBUTION CODE BY THE DISTRIBUTION LICENSEE**

The distribution licensee shall ensure due compliance with the Tamil Nadu Electricity Supply Code and the Tamil Nadu Electricity Distribution Code as in force for the time being.

### **15. CONSUMER SERVICE**

(1) The distribution licensee shall duly comply with the regulations specified by the Commission from time to time in regard to consumer services including the terms and conditions relating to consumer services contained in the Tamil Nadu Electricity Supply Code and Tamil Nadu Electricity Distribution Code and Tamil Nadu Electricity Distribution standards of performance regulations.

#### **(2) *Payment of Bills***

The procedures regarding billing and payment of electricity charges outlined in Tamil Nadu Electricity Supply Code shall be followed both by the licensees and the consumers.

#### **(3) *Complaint Handling Procedure***

The distribution licensee shall establish a forum for redressal of grievances of the consumers in accordance with the Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman, 2004, as specified by the Commission.

#### **(4) *Consumer Rights Statement***

(a) The distribution licensee shall, within a reasonable period of time as specified by the Commission after the commencement of the licence or such other time as the Commission may allow, prepare and submit to the Commission for approval, a consumer rights statement, explaining to consumers their rights as Consumers serviced by such licensee. The Commission may, upon holding such consultation with the TNERC State Advisory Committee, and such other persons or bodies of persons who the Commission considers as representing the interests of consumers likely to be affected by it, make such modification of the statement, as it considers necessary in public interest.

(b) The Commission may, upon receiving a representation or otherwise, require such licensee to review the consumer rights statement prepared and the manner in which it has been implemented with a view to determining whether any modification should be made to it or to the manner of its implementation.

(c) The distribution licensee shall submit any revision to the consumer rights statement that it wishes to make to the Commission for its approval, including any representation received by such licensee and not accepted by it. The Commission may modify the existing consumer rights statement, as it considers necessary.

(d) The distribution licensee shall:

(i) draw to the attention of consumers, in such manner as the Commission may direct, the existence of its consumer rights statement and each substantive revision of it and how they may inspect or obtain a copy of such consumer rights statement in its latest form.

(ii) make a copy of its consumer rights statement, revised from time to time, available for inspection by members of the public at its offices during normal working hours; and

(iii) provide to all new consumers to be served by it, and to any other person who requests, a copy of the consumer rights statement, revised from time to time, at a price not exceeding the reasonable cost of duplicating it.

(5) The distribution licensee shall duly comply with the standards as the Commission may specify from time to time, in performing its duties under the Act.

## **16. DISTRIBUTION SYSTEM PLANNING AND SECURITY STANDARDS, DISTRIBUTION SYSTEM OPERATING STANDARDS**

The Distribution licensee shall comply with the provisions outlined in Chapter 3 and 5 of the Tamil Nadu Electricity Distribution Code.

## **17. DUTY TO SUPPLY**

The Distribution licensee shall comply with the provisions outlined in Regulation 27 of the Tamil Nadu Electricity Distribution Code.

## **18. POWERS TO RECOVER EXPENDITURE, RECOVER SECURITY**

The Distribution licensee shall comply with the provisions outlined in Chapter 7 of the Tamil Nadu Electricity Distribution Code.

## **19. USE OF METERS**

The distribution licensee shall comply with the requirements of the Act and the regulations, directions and orders of the Commission in regard to supply of electricity through meter as published in Regulation 7 of the Tamil Nadu Electricity Supply Code.

## **20. PROVISION OF SUBSIDIES TO CERTAIN CONSUMERS**

The distribution licensee shall be guided by the provisions as per TNERC (Terms and Conditions for Determination of Tariff) Regulations, 2005.

## **21. POWERS OF THE LICENSEE FOR REVENUE REALISATION, PREVENTION OF METER TAMPERING, Etc.**

The distribution licensee shall act as per the provisions in Chapters 2 and 4 of the Tamil Nadu Electricity Supply Code.

## **22. POWER TO ENTER PREMISES AND TO REMOVE FITTINGS OR OTHER APPARATUS OF LICENSEE**

The distribution licensee shall act as per the provisions of Regulation 25 of the Tamil Nadu Electricity Supply Code.

## **23. THEFT OF ELECTRICITY, LINES, MATERIALS, INTERFERENCE WITH WORKS, Etc.**

The distribution licensee shall act as per the provisions in Regulation 25 (B) of the Tamil Nadu Electricity Supply Code.

## **24. DISCONNECTIONS AND OTHER ACTIONS**

The distribution licensee shall act as per the provisions of Regulation 21 of the Tamil Nadu Electricity Supply Code.

## **25. INTRODUCTION OF COMPETITION IN SUPPLY**

(1) In accordance with section 14 of the Act, the Commission may, grant licence to two or more persons for distribution of electricity through their own distribution system within the same area of supply subject to the condition that the applicant meets the eligibility norms as specified by the Central Government pursuant to under clause (b) of sub-section (2) of section 176 of the Act. And no applicant who complies with all the requirements for grant of licence shall be refused licence on the ground that there already exists a licensee in the same area for the same purpose.

(2) As and when permitted by the Commission a consumer or a class of consumers can avail electricity from a person other than the licensee of his area of supply. In such a case the duties of the licensee shall be that of a "common carrier" providing non-discriminatory open access and the charges payable will be, determined by the Commission.

(3) The Commission may, fix only the maximum ceiling of tariff for retail sale of electricity in an area of supply having two or more distribution licensees.

## 26. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person who is a deemed licensee under section 14 of the Act.

### SCHEDULE 1

#### Licensed Area of Distribution Licensee

The distribution system detailed below, covering the following circles/districts/geographical area in the state of Tamil Nadu, including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the provisions of the Electricity Act, 2003.

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(By Order of the Commission)

Chennai  
Dated

Sd/-  
Secretary/TNERC.

### Annexure 8

#### FORM No. 7: FORMAT AND CONDITIONS OF LICENCE OF AN ELECTRICITY TRADER

##### Licence granted for Trading in electricity

[See Regulations 15(4)]

The Tamil Nadu Electricity Regulatory Commission (hereinafter referred to as "the Commission"), in exercise of the powers conferred under section 14 of the Electricity Act, 2003 (Act 36 of 2003, hereinafter referred to as "the Act"), hereby grants this licence as a Category \_\_\_\_\_ trader to \_\_\_\_\_, (hereinafter referred to as "the licensee") to trade in electricity as an electricity trader in the area subject to the terms and conditions contained in the Act, (in particular, Sections 17 to 22 thereof, both inclusive), the rules made by the Central Government (hereinafter referred to as "the Rules") and the regulations specified by the Commission (hereinafter referred to as "the Regulations"), including statutory amendments, alterations, modifications, re-enactments thereof, which shall be read as part and parcel of this licence. The licence shall come into effect from .....

#### PART - I

##### DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires:

(a) "accounting statement" means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the trading licensee engages in any business or activity in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of trading licensees and show specifically the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:

(i) charged from the licensed business to any other business or vice versa together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation.

- (b) “**Act**” means the Electricity Act, 2003 (Act 36 of 2003)
- (c) “**agreement**” means agreement entered into by the electricity trader with the seller of electricity, buyer of electricity, other licensees, State Load Despatch Centre, consumer etc. that enables the trading transactions;
- (d) “**annual accounts**” means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;
- (e) “**area of activity**” means the area of activity stated in the trading licence within which the licensee is authorised to trade;
- (f) “**auditors**” means the licensee’s auditors holding office in accordance with the requirements of sections 224 to 234A or section 619 as appropriate, of the Companies Act 1956 (1 of 1956);
- (g) “**authorised**”, in relation to any person, business or activity, means authorised by licence granted under section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to section 14 of the Act or exemption granted under section 13 of the Act and the regulations of the Commission;
- (h) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission;
- (i) “**Conduct of Business Regulations**” means the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004, for the time being in force;
- (j) “**customer**” means any buyer purchasing electricity from the trader, viz. distribution licensee, any other trading licensee and any customer that the licensee gets into a sale agreement with.
- (k) “**Force Majeure**” means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (l) “**licence**” means a licence granted under section 14 of the Act;
- (m) “**licensee**” means a person who has been granted a licence under section 14 of the Act;
- (n) “**licensed business**” means the business of trading of electricity in the area of activity as authorised under the licence;
- (o) “**open access**” means the non-discriminatory provision for the use of transmission lines or distribution lines or transmission systems or distribution systems or associated facilities with such lines or systems by any licensee or customer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (p) “**person**” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (q) “**regulations**” means the regulations made by the Commission, under the provisions of the Act;
- (r) “**State**” means the State of Tamil Nadu;
- (s) “**State Government**” means the Government of the State of Tamil Nadu;
- (t) “**subsidiary**” shall have the same meaning as in section 4 of the Companies Act 1956 (1 of 1956);
- (u) “**supply**” in relation to electricity means the sale of electricity to a licensee or consumer;
- (v) “**Tamil Nadu Electricity Distribution Code**” means the Code published by the Commission under sections 46 and 86 of the Act;
- (w) “**Tamil Nadu Electricity Supply Code**” means the Code published by the Commission under section 50 of the Act;
- (x) “**trader**” means a person who has been granted a licence or deemed to be a licensee to undertake trading in electricity under section 14 of the Act;
- (y) “**trading**” means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (z) “**trading business**” means the authorised business of the trading licensee in the area of supply;
- (aa) “**transfer**” shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ab) “**transmit**” means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;

(ac) “**transmission licensee**” means a licensee authorised to establish or operate transmission lines;

(ad) “**transmission system**” means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system.

## **PART - II**

### **GENERAL CONDITIONS**

#### **3. PERIOD & TRANSFERABILITY OF THE LICENCE**

(1) The trading licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the regulation 20 of these regulations or under section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

(2) This trading licence is not transferable, except in accordance with the provisions of the Act, the rules and the regulations.

#### **4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

(1) The trading licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time.

(2) The trading licensee shall act in accordance with this General Conditions except where the licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically permitted by the Commission for any deviation therefrom.

(3) The trading licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

#### **5. DUTIES OF THE TRADING LICENSEE**

(1) The trading licensee may engage in the business of trading in electricity in the State provided that any such sale or supply of electricity to customer subject to the trade margin that may be fixed by the Commission from time to time.

(2) The trading licensee shall have in place all agreements, including the billing and settlement agreement, for the purchase, sale and supply of electricity and all necessary authorisations as required by it to be able to perform its obligations under such agreements.

(3) The trading licensee shall not without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee in its area of activity; or

(b) acquire any beneficial interest in any generating company or generating station or distribution licensee or any other trading licensee; or

(c) merge its utility with any other licensee within the State; or

(d) assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise;

Any agreement relating to any transaction referred to in sub-clause (a) to sub-clause (d) unless made with the approval of the Commission, shall be void.

(4) To obtain the approval of the Commission as aforesaid, the licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf and the Commission shall dispose such application expeditiously.

(5) The grant of this trading licence to the licensee shall not in any way hinder or restrict the right of the Commission to grant a licence to any other person within the same area for trading in electricity as an electricity trader. The trading licensee shall not claim any exclusivity.

(6) The trading licensee shall carry out trade by entering into appropriate contracts. Necessary safeguards with regard to supply of electricity through trading, or payment for the electricity traded shall be included in the agreements between the parties. All trading arrangements shall be done through the letters of credit or with any other superior instrument.



(7) If the contract of the trading licensee with its customer is for a fixed term, then prior to the expiry of such fixed term, the licensee shall inform the customer as to when the term expires and the tariffs and terms and conditions applicable to the customer beyond the expiry of the contract, if the arrangement is continued.

(8) The trading licensee shall comply with the requirements of laws in force and, in particular, the provisions of the Act, the rules and the regulations, Tamil Nadu Electricity Grid Code, Tamil Nadu Electricity Distribution Code, Tamil Nadu Electricity Supply Code, other codes, orders and directions issued by the Commission from time to time.

(9) The trading licensee shall maintain an up to date register or record of all the business transactions.

(10) The trading licensee shall be governed by the technical requirement, capital adequacy requirement and creditworthiness specified by the Commission in these regulations, for being an electricity trader and shall upgrade these technical and capital adequacy requirements including staff, when the volume of trade increases.

(11) The trading licensee shall increase its network if the quantum of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded cumulated as on 31st March of each year of which the licensee shall keep the Commission informed of his moving from one category to the other and subsequent changes in the network.

(12) The trading licensee shall establish adequate communication facilities like telephone, fax, computer, internet facilities before undertaking the trading.

(13) The trading licensee shall render all assistance to any person authorised by the Commission for carrying out his duties relating to the licence.

<sup>1</sup>[(14) The trading licensee shall pay the licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission Fees and Fines Regulations 2004]

(15) The trading licensee shall purchase the energy required for meeting its obligation under its licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the regulations, guidelines, directions made by the Commission from time to time.

## **6. ACCOUNTS**

(1) Unless otherwise permitted by the Commission the financial year of the trading licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The trading licensee shall, in respect of the licensed business and any other business:

(a) prepare on a consistent basis from such accounting records and deliver to the Commission

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner prescribed by the Commission;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) The trading licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the accounting standards or rules and any guidelines issued by the Commission in this regard.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006** (w.e.f. **3-1-2007**) which before substitution stood as under:

**“(14) The trading licensee shall pay the licence fee specified under these regulations in accordance with the time-schedule specified hereunder.”**

(4) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the licensee shall, if requested by the Commission (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(5) Accounting statements under sub-clause (2) above shall, unless or otherwise approved or directed by the Commission:

- (a) be prepared and published with the annual accounts of the trading licensee, in the manner provided herein;
- (b) state the accounting policies adopted;
- (c) be prepared in accordance with generally accepted Indian accounting standards; and
- (d) be prepared in the form as the Commission may stipulate from time to time;

(6) The references to costs or liabilities of, or reasonably attributable to licensed business or other business shall be construed as excluding taxation and capital liabilities which do not relate principally to such business and interest thereon.

(7) The trading licensee shall ensure that the accounting statements in respect of each financial year prepared under sub-clause (2) and the auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any Person requesting them at a price not exceeding the reasonable cost of duplicating them.

(8) The Commission may, from such time it considers appropriate, require the licensee to comply with the provisions of clause (1) to (7) above treating the trading and other activities of the licensee as separate and distinct businesses and shall comply with any guidelines issued by the Commission in this regard.

(9) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the trading licensee and the licensee shall render all necessary assistance to such person.

## **7. PROVISION OF INFORMATION TO THE COMMISSION**

(1) The trading licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the State Transmission Utility, The State Load Dispatch Centre, the Central Commission and/or the Central Electricity Authority.

(2) The trading licensee shall furnish the information as may be required from time to time to monitor the licensee's performance and compliance of the terms and conditions of the licence and any other legislative or regulatory requirement in the manner required by the Commission.

(3) The trading licensee shall file the annual revenue requirements, at a time as may be directed by the Commission, and in the form and manner specified thereof, to enable the Commission to determine the trading margin, wherever necessary.

(4) The trading licensee shall duly inform the Commission about any incident restricting it from meeting its obligation under the licence granted including any act of omission or commission by others and steps taken by the licensee to mitigate the effect of such incident. The trading licensee shall notify the Commission as soon as possible the occurrence of any other incident which materially affect any part of its trading activities and in any event, by not later than thirty days from the date of such occurrence:

(a) submit a report to the Commission giving full details of the facts within the knowledge of the licensee regarding the incident and its cause; and

(b) give copies of the report to all parties concerned with such incident and to such other persons as the Commission may direct.

(5) The Commission may by order, after providing an opportunity of hearing, direct the trading licensee to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the licensee.

(6) The Commission may at any time require the trading licensee to comply with the provisions of this clause 6 in a manner the Commission may direct and the licensee shall be obliged to comply with the same.

(7) The trading licensee shall submit a business plan in accordance with the provisions of TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005.

## **8. CAPITAL ADEQUACY, CREDIT WORTHINESS NORMS TO BE MAINTAINED**

(1) The trading licensee shall duly comply with the regulations, guidelines, directions and orders the Commission may issue from time to time in regard to the technical and financial parameters and norms to be maintained at all times by the trading licensee.

(2) The network at any point of time during the operation of trading shall not reduce below 75% of the minimum requirements specified for the respective category of trader and shall be replenished at the end of every quarter ending March, June, September and December every year to the above specified levels. An audited certificate of compliance would need to be submitted to the Commission for every quarter within a period of 30 days from the end of that quarter.

(3) The trader shall make reasonable endeavours to maintain investment grade credit rating obtained from a leading independent Credit Rating Agency for all debts throughout the period they remain on the books of the trader.

(4) The non-maintenance of the technical and financial parameters as per sub-clause (1) above shall amount to a material breach of the obligations by the licensee;

(5) The trading licensee shall maintain the technical resources as specified in the regulations and provide to the Commission details of any changes justifying the adequacy of its capability to cater to the volume of trade it handles;

(6) If the trading volume of the licensee exceeds its specified maximum volume of trade, then the licensee shall immediately inform the Commission and increase its network as specified in the regulations. In case of non-reporting of such an event the Commission shall levy compensation to the licensee for such negligence and the licence shall be liable for revocation.

(7) The increased network shall remain in force till such time the increased network consistently exceeds the requirement for a particular volume of trade through three consecutive months. On any such consistent reduction in volume of trade, the network requirement may be revised in proportion to the average traded volumes during the three months, specified herein.

## **9. PAYMENT OF LICENCE FEES**

(1) Within thirty days or such further period as the Commission may allow after the coming into force of this licence, the licensee shall pay to the Commission <sup>1</sup>[a licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004] , on a prorata basis for the balance period of the year in quarterly instalments as specified in sub-clause (2)

(2) For the subsequent financial year(s), for as long as this licence remains in force, the licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission <sup>2</sup>[an annual licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004]

(3) The Commission may, from time to time revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by the licensee on/or before the start of each financial year.

(4) Where the trading licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:

(a) without prejudice to other obligations, the licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the licensee, the Commission may revoke this licence pursuant to section 19 of the Act and regulation 20 of these regulations.

(5) The trading licensee shall be entitled to take into account any fee paid by it under this clause as an expense in the determination of aggregate revenues, but shall not take into account any interest paid pursuant to this clause.

(6) In case the trading licensee has moved from a lower Category to a higher Category, the balance of licence fee applicable to the licensee for such changed category shall be paid before 30th April of each year.

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<sup>1</sup>Substituted for the expression "a fee as may be specified by the Commission" as per Commission's Notification No.**TNERC/REGULATIONS/F&F/4/2-1,dated 16-11-2006** (w.e.f. 3-1-2007)

<sup>2</sup>Substituted for the expression "an annual licence fee as specified by the Regulation " as per Commission's Notification No.**TNERC/REGULATIONS/F&F/4/2-1,dated 16-11-2006** (w.e.f. 3-1-2007)

## **10. AMENDMENT OF LICENCE CONDITIONS**

Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under section 18 of the Act. The following provisions shall have effect for any alterations or amendments:

(a) where the licensee has made an application under sub-section (1) of section 18, of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9 (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

## **11. SETTLEMENT OF DISPUTES**

The provisions contained in regulations 24 to 27 of these regulations, shall apply to any dispute between the trading licensee and any generating company or transmission licensee or consumers or distribution licensee and such disputes shall be settled in accordance with the provisions contained in the said regulations.

## **12. TARIFF, TRADING MARGINS AND EXPECTED REVENUE CALCULATION**

(1) The trading licensee shall calculate the expected revenue from charges, which it is permitted to recover in accordance with the provisions of the Act, the regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

(2) The trading licensee shall file the expected revenue calculation in the manner provided in the Conduct of Business Regulations and consistent with the regulations issued under section 61 of the Act.

(3) Unless otherwise provided in the Special Conditions or in any order or direction made by the Commission the licensee shall every year, not later than 31st November, submit to the Commission a Statement with full details of its expected aggregate revenues and cost of service for the ensuing financial year for its licensed business in accordance with the provisions of the Act and the regulations, guidelines and orders issued by the Commission from time to time.

## **13. COMPLIANCE AND SUBMISSION OF INFORMATION TO STATE LOAD DESPATCH CENTRE & CENTRAL ELECTRICITY AUTHORITY**

(1) The trading licensee shall comply with the provisions of codes and regulations published / specified by the Commission and directives of the Commission issued from time to time;

(2) The trading licensee shall submit to the State Load Dispatch Centre (SLDC) all such information pertaining to the trade of electricity by the licensee, provided further that the SLDC shall verify the information provided by the licensee on quantum of electricity traded as against its reports and submit a review report to the Commission.

(3) The trading licensee shall submit information to the Central Electricity Authority as required under section 74 of the Act in accordance with clause (i) of section 73 of the Act;

(4) The trading licensee shall pay the SLDC charges as may be specified by the Commission from time to time;

(5) The distribution licensee(s) when trading with other distribution licensee(s) shall comply with the Commission's specified ceiling value of trading margin.

(6) The trading licensee shall comply with the requirements under section 66 of the Act as may be specified by the Commission to promote the development of market;

## **14. PRUDENTIAL REPORTING**

The trading licensee, shall, as soon as practicable report to the Commission:

(a) Any significant changes in its circumstances which may affect the licensee's ability to meet its obligations under the Act, rules and regulations directions/orders issued by the Commission, the Tamil Nadu Electricity Grid Code, agreement or the licence.

(b) Any material breach of the provisions of the Act, the rules and the Regulations, directives/orders issued by the Commission, the Tamil Nadu Electricity Grid Code, the Tamil Nadu Electricity Distribution Code, the Tamil Nadu Electricity Supply Code, agreement or the licence.

(c) Any major change in shareholding pattern, ownership or management of the licensee.

## **15. COMMUNICATION**

(1) All communications relating to the trading licence shall be in writing and shall be delivered either in person to the addressee or his authorised agent, or sent by registered/speed post to the place of business of the addressee.

(2) All communications shall be regarded to have been given by the sender and received by the addressee:

(a) when delivered in person to the addressee or to his authorised agent;

(b) on expiry of fifteen days from the date of sending by registered/ speed post at the address of the addressee.

## **16. INTRODUCTION OF COMPETITION IN TRADING**

(1) The Commission may grant licence to more than one person to trade in the same area of activity of the licensee subject to the proviso to section 14 of the Act.

(2) The Commission may, after considering applicable Government policy and in consultation with the licensees and generating companies, formulate arrangements for the introduction of competition in supply / promote the development of a market (including trading of power) in the State. These consultations will adhere to the principles of natural justice, financial viability of the sector and will afford a reasonable opportunity to the affected parties to represent their perspectives in the matter.

(3) The Commission may, with reasons recorded in writing, and after providing reasonable opportunity to the licensee to be heard, issue such appropriate orders modifying or amending the conditions of this licence, as it shall consider appropriate for the purpose of implementing the arrangements referred to in this clause.

(4) The trading licensee shall arrange systems and other resources necessary for complying with this clause.

(5) The trading licensee in any circumstances shall not enter into any Agreement or abuse its dominant position or enter into a combination, which is likely to cause or causes an adverse effect on competition in the electricity industry.

(6) If the trading licensee anticipates that it will be unable to meet any of the obligations under this clause, it shall as soon as possible notify the Commission and give sufficient reasons for the same.

## **17. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES**

The conditions as set out herein above are applicable to any person who is a deemed licensee under section 14 of the Act.

**SCHEDULE 1**  
**Area of Activity**

**The following circles/districts in the state of Tamil Nadu:**

... including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the provisions of the Electricity Act, 2003

(By order of the Commission)

Chennai  
Dated .....

(Sd/-)  
Secretary/TNERC

**Annexure-9**

**EXTRACTS FROM THE ARBITRATION & CONCILIATION ACT, 1996**

**61. Application and Scope**

(1) Save as otherwise provided by any law for the time being in force and unless the parties have otherwise agreed, this Part shall apply to conciliation of disputes arising out of legal relationship, whether contractual or not and to all proceedings relating thereto.

(2) This Part shall not apply where by virtue of any law for the time being in force certain disputes may not be submitted to conciliation.

**62. Commencement of conciliation proceedings**

(1) The party initiating conciliation shall send to the other party a written invitation to conciliate under this Part, briefly identifying the subject of the dispute.

(2) Conciliation proceedings shall commence when the other party accepts in writing the invitation to conciliate.

(3) If the other party rejects the invitation, there will be no conciliation proceedings.

(4) If the party initiating conciliating does not receive a reply within thirty days from the date on which he sends the invitation or within such other period of time as specified in the invitation, he may elect to treat this as a rejection of the invitation to conciliate and if he so elects, he shall inform in writing the other party accordingly.

**63. Number of conciliators:-**

(1) There shall be one conciliator unless the parties agree that there shall be two or three conciliators.

(2) Where there is more than one conciliator, they ought, as a general rule, to act jointly.

**64. Appointment of conciliators:-**

(1) Subject to sub-section (2),-

(a) in conciliation proceedings with one conciliator, the parties may agree on the name of a sole conciliator;

(b) in conciliation proceedings with two conciliators, each party may appoint one conciliator;

(c) in conciliation proceedings with three conciliators, each party may appoint one conciliator and the parties may agree on the name of the third conciliator who shall act as the presiding conciliator.

(2) Parties may enlist the assistance of a suitable institution or person in connection with the appointment of conciliators, and in particular,-

(a) a party may request such an institution or person to recommend the names of suitable individuals to act as conciliator; or

(b) the parties may agree that the appointment of one or more conciliators be made directly by such an institution or person:

Provided that in recommending or appointing individuals to act as conciliator, the institution or person shall have regard to such considerations as are likely to secure the appointment of an independent and impartial conciliator and, with respect to sole or third conciliator, shall take into account the advisability of appointing a conciliator of a nationality other than the nationalities of the parties.

#### **65. Submission of Statements to conciliators:-**

(1) The conciliator, upon his appointment, may request each party to submit to him a brief written statement describing the general nature of the dispute and the points at issue. Each party shall send a copy of such statement to the other party.

(2) The conciliator may request each party to submit to him a further written statement of his position and the facts and grounds in support thereof, supplemented by any documents and other evidence that such party deems appropriate. The party shall send a copy of such statement, documents and other evidence to the other party.

(3) At any stage of the conciliation proceedings, the conciliator may request a party to submit to him such additional information as he deems appropriate.

**Explanation:-** In this section and all the following sections of this Part, the term “conciliator” applies to a sole conciliator, two or three conciliators as the case may be.

#### **66. Conciliator not bound by certain enactments:-**

The conciliator is not bound by the Code of Civil Procedures, 1908 or the Indian Evidence Act, 1872.

#### **67. Role of conciliator:-**

(1) The conciliator shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute.

(2) The conciliator shall be guided by principles of objectivity, fairness and justice, giving consideration to, among other things the rights and obligations of the parties, the usages of the trade concerned and the circumstances surrounding the dispute, including any previous business practices between the parties.

(3) The conciliator may conduct the conciliation proceedings in such a manner as he considers appropriate, taking into account the circumstances of the cases, the wishes the parties may express, including any request by a party that the conciliator hear oral statements, and the need for a speedy settlement of the dispute.

(4) The conciliator may, at any stage of the conciliation proceedings, make proposals for a settlement of the dispute. Such proposals need not be in writing and need not be accompanied by a statement of the reasons therefor.

#### **68. Administrative assistance:-**

In order to facilitate the conduct of the conciliation proceedings, the parties, or the conciliator with the consent of the parties, may arrange for administrative assistance by a suitable institution or person.

#### **69. Communication between conciliator and parties:-**

(1) The conciliator may invite the parties to meet him or may communicate with them orally or in writing. He may meet or communicate with the parties together or with each of them separately.

(2) Unless the parties have agreed upon the place where meetings with the conciliator are to be held, such place shall be determined by the conciliator, after consultation with the parties, having regard to the circumstances of the conciliation proceedings.

#### **70. Disclosure of information:-**

When the conciliator receive factual information concerning the dispute from a party, he shall disclose the substance of that information to the other party, he shall disclose the substance of that information to the other party in order that the other party may have the opportunity to present any explanation which he considers appropriate:

Provided that when a party gives any information to the conciliator subject to a specific condition that it be kept confidential, the conciliator shall not disclose that information to the other party.

#### **71. Co-operation of parties with conciliator:-**

The parties shall in good faith co-operate with the conciliator and, in particular, shall endeavour to comply with requests by the conciliator to submit written materials, provide evidence and attend meetings.

#### **72. Suggestions by parties for settlement of dispute:-**

Each party may, on his own initiative or at the invitation of the conciliator, submit to the conciliator suggestions for the settlement of the dispute.

#### **73. Settlement agreement:-**

(1) When it appears to the conciliator that there exist elements of a settlement, which may be acceptable to the parties, he shall formulate the terms of a possible settlement and submit them to the parties for their observations. After receiving the observations of the parties, the conciliator may reformulate the terms of a possible settlement in the light of such observations.

(2) If the parties reach agreement on a settlement of the dispute, they may draw up and sign a written settlement agreement. If requested by the parties, the conciliator may draw up, or assist the parties in drawing up, the settlement agreement.

(3) When the parties sign the settlement agreement, it shall be final and binding on the parties and persons claiming under them respectively.

(4) The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each of the parties.

#### **74. Status and effect of settlement agreement:-**

The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal under section 30.

#### **75. Confidentiality:-**

Notwithstanding anything contained in any other law for the time being in force, the conciliator and the parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement.



**76. Termination of conciliation proceedings:-**

The conciliation proceedings shall be terminated –

- (a) by the signing of the settlement agreement by the parties on the date of the agreement; or
- (b) by a written declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or
- (c) by a written declaration of the parties addressed to the conciliator to the effect that the conciliation proceedings are terminated, on the date of the declaration; or
- (d) by a written declaration of a party to the other party and the conciliator, if appointed, to the effect that the conciliation proceedings are terminated, on the date of the declaration.

**77. Resort to arbitral or judicial proceedings:-**

The parties shall not initiate, during the conciliation proceedings, any arbitral or judicial proceedings in respect of a dispute that is the subject matter of the conciliation proceedings except that a party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights.

**78. Costs:-**

(1) Upon termination of the conciliation proceedings, the conciliator shall fix the costs of the conciliation and give written notice thereof to the parties.

(2) For the purpose of sub-section (1), “costs” means reasonable costs relating to-

- (a) the fee and expenses of the conciliator and witnesses requested by the conciliator with the consent of the parties;
- (b) any expert advice requested by the conciliator with the consent of the parties;
- (c) any assistance provided pursuant to clause (b) of sub-section (2) of section 64 and section 68;
- (d) any other expenses incurred in connection with the conciliation proceedings and the settlement agreement.

(3) The costs shall be borne equally by the parties unless the settlement agreement provides for a different apportionment. All other expenses incurred by a party shall be borne by that party.

**79. Deposits:-**

(1) The conciliator may direct each party to deposit an equal amount as an advance for the costs referred to in sub-section (2) of section 78, which he expects will be incurred.

(2) During the course of the conciliation proceeding, the conciliator may direct supplementary deposits in an equal amount from each party.

(3) If the required deposits under sub-section (1) and (2) are not paid in full by both the parties within thirty days, the conciliator may suspend the proceedings or may make a written declaration of termination of the proceedings to the parties effective on the date of that declaration.

(4) Upon termination of the conciliation proceedings, the conciliator shall render an accounting to the parties of the deposits received and shall return any unexpended balance to the parties.

**80. Role of conciliator in other proceedings:-**

Unless otherwise agreed by the parties,-

- (a) the conciliator shall not act as an arbitrator or as a representative or counsel of a party in any arbitral or judicial proceedings in respect of dispute that is the subject of the conciliation proceedings;
- (b) the conciliator shall not be represented by the parties as a witness in any arbitral or judicial proceedings.

**81. Admissibility of evidence in other proceedings:-**

The parties shall not rely on or introduce as evidence in arbitral or judicial proceedings, whether not such proceedings relate to the dispute that is the subject of the conciliation proceedings,-

- (a) views expressed or suggestions made by the other party in respect of a possible settlement of the dispute;
- (b) admissions made by the other party in the course of the conciliation proceedings;
- (c) proposals made by the conciliator;
- (d) the fact that the party had indicated his willingness to accept a proposal for settlement made by the conciliator.

**82. Power of High Court to make rules:-**

The High Court may make rules consistent with this Act as to all proceedings before the Court under this Act.

**83. Removal of difficulties:-**

(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not consistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty;

(2) Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(3) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

**84. Power to make rules:-**

(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Ordinance.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**85. Repeal and saving:-**

(1) The Arbitration (Protocol and Convention) Act, 1937, the Arbitration Act, 1940, and the Foreign Awards (Recognition and Enforcement) Act, 1961 are hereby repealed.

(2) Notwithstanding such repeal,-

(a) the provisions of the said enactments shall apply in relation to arbitral proceedings which commenced before this Act came into force unless otherwise agreed by the parties by this Act shall apply in relation to arbitral proceedings which commenced on or after this Act comes into force;

(b) all rules made and notifications published, under the said enactments shall, to the extent to which they are not repugnant to this Act, be deemed respectively to have been made or issued under this Act.

**86. Repeal of Ordinance 27 of 1996 and saving:-**

(1) The Arbitration and Conciliation (Third) Ordinance 1996 is hereby repealed.

(2) Notwithstanding such repeal any order rule notification or scheme made or anything done or any action taken in pursuance of any provision of the said Ordinance shall be deemed to have been made done or taken under the corresponding provisions of this Act.

## ***Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005***

### **Principal Regulation and Amendments :**

- (1) Notification No.TNERC/LR/12/1, Dated 24-06-2005
- (2) Notification No.TNERC/F&F/4/2-1, Dated 16-11-2006
- (3) Notification No.TNERC/LR/12/2, Dated 04-07-2007

### **Preamble**

Whereas under the Electricity Act 2003, (Central Act 36 of 2003), the State Electricity Regulatory Commission may, on an application made to it, grant a licence to any person to transmit electricity as a transmission licensee; or to distribute electricity as a distribution licensee; or to undertake trading in electricity as an electricity trader in any area as may be specified by the Commission;

And Whereas the State Electricity Regulatory Commission may specify any general and specific conditions, which shall apply either to a licensee or class of licensees and such conditions shall be deemed to be the conditions of such licence;

And Whereas the regulations providing for, among others, the grant of licence, the general or specific conditions applicable to the licensees shall be subject to the condition of previous publication; and accordingly undergone previous publication;

Now, Therefore, in exercise of the powers conferred by section 181 of the Electricity Act 2003 and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations, namely:

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**FORM No. 5: FORMAT AND CONDITIONS OF TRANSMISSION LICENCE**

SCHEDULE 1

**FORM No. 6: FORMAT AND CONDITIONS OF DISTRIBUTION LICENCE**

SCHEDULE 1

**FORM No. 7: FORMAT AND CONDITIONS OF LICENCE OF AN  
ELECTRICITY TRADER**

SCHEDULE 1

**EXTRACTS FROM THE ARBITRATION & CONCILIATION ACT, 1996**

**1. Short title, Commencement and Extent**

- (1) These Regulations may be called the 'Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005'.
- (2) These Regulations shall come into force on the date of their publication in the *Tamil Nadu Government Gazette*.
- (3) These Regulations extend to the whole of the State of Tamil Nadu.

**2. Definitions**

- (1) In these Regulations, unless the context otherwise requires:
  - (a) "**Act**" means the Electricity Act, 2003 (Central Act 36 of 2003);
  - (b) "**Applicant**" means a person who has made an application under Section 15 of the Act to transmit electricity as a transmission licensee or distribute electricity as a distribution licensee or to undertake trading in electricity as an electricity trader;
  - (c) "**Agreement**" means the agreement entered into between the licensees including the agreements between generating companies and licensees/consumers and between distribution licensees and consumers;
  - <sup>1</sup>[(ca) "**Associate**", in relation to the applicant, includes a person -
    - (i) who, directly or indirectly, by himself, or in combination with relatives, own or controls shares carrying not less than twenty percent of voting rights of the applicant ; or
    - (ii) in respect of whom the applicant, directly or indirectly, by himself, or in combination with other persons, owns or controls shares carrying not less than twenty percent of the voting rights ; or
    - (iii) majority of the Directors of which, own or control shares carrying not less than twenty percent of the voting rights of the applicant; or
    - (iv) whose Director, officer or employee is also a director, officer or employee of the applicant;]
  - (d) "**Commission**" means the Tamil Nadu Electricity Regulatory Commission.

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/LR/12/2**, dated **4-7-2007** (w.e.f. **25-7-2007**)

(e) **“Conduct of Business Regulations”** means the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004, for the time being in force;

(f) **“Consumer”** means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;

(g) **“Designated Officer”** means an officer of the Commission designated for the specific purpose and shall include the Secretary;

(h) **“distribution”** means the conveyance of electricity by means of a Distribution System;

<sup>1</sup>[(ha) **“Economic offence”** means an offence to which the Economic Offences (Inapplicability of Limitation) Act, 1974 (12 of 1974), is applicable for the time being;

(hb) **“Fraud”** has the same meaning as is assigned to it by section 17 of the Indian Contract Act, 1872 (9 of 1872);]

(i) **“licence”** means a licence granted under section 14 of the Act;

(j) **“licensee”** means a person who has been granted a licence under section 14 of the Act;

(k) **“licensed business”** means the business of transmission or distribution or trading in electricity in the area as authorised under the licence;

<sup>2</sup>[(ka) **“Net worth”** means net worth as defined in the Companies Act, 1956 (1 of 1956) as amended from time to time, including re-enactment thereof;]

(l) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;

<sup>3</sup>[(la) **“Relative”** means a relative as defined in section 6 of the Companies Act, 1956 (1 of 1956);]

(m) **“Secretary”** means the Secretary of the Tamil Nadu Electricity Regulatory Commission;

(n) **“State Load Despatch Centre”** means the centre established under sub- section (1) of section 31;

(o) **“trading”** means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;

(p) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;

(2) Words or expressions occurring in these Regulations and not defined herein but defined in the Electricity Act, 2003 (Act 36 of 2003) or in any other Regulations published by the Commission, shall bear the same meanings assigned to them respectively in the Act and such other Regulations, and as defined and understood in the engineering and commercial circles.

(3) The Conduct of Business Regulations as may be amended from time to time shall, *mutatis mutandis*, as far as practicable and possible, apply to the proceedings under these Regulations.

### 3. Interpretation

In the interpretation of these Regulations, unless the context otherwise requires, the following provisions shall apply

(1) the original Regulations will be in English and they will be translated in Tamil. In case of difference in interpretation of Regulations in Tamil version, the original Regulation in English version will stand.

(2) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;

(3) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;

(4) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force.

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<sup>1</sup>Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

<sup>2</sup>Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

<sup>3</sup>Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

(5) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations.

(6) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be.

(7) Wherever extracts of Electricity Act, 2003 are reproduced, any changes/ amendments to the original Act shall automatically be deemed to be effective under this regulation also.

#### **4. Review**

The Commission from time to time may review these Regulations, particularly with the purpose of harmonising the same with the regulation of open access and/or to cater to the needs of developing power markets, in accordance with section 66 of the Act.

#### **5. Provisions of the Act to grant licence**

Section 12 of the Act, which deals with the requirement of obtaining licence for transmission, distribution or trading electricity reads as follows:

*No person shall-*

- (a) transmit electricity; or*
- (b) distribute electricity; or*
- (c) undertake trading in electricity,*

*unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13.*

Section 13 of the Act, which deals with the power to exempt, reads as follows:

*The Appropriate Commission may, on the recommendations, of the Appropriate Government, in accordance with the national policy formulated under section 5 and in public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users' association, co-operative societies, nongovernmental organizations, or franchisees:*

Section 14 of the Act, which deals with grant of licence, reads as follows:

*The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person –*

- (a) to transmit electricity as a transmission licensee; or*
- (b) to distribute electricity as a distribution licensee; or*
- (c) to undertake trading in electricity as an electricity trader,*

*in any area which may be specified in the licence:*

*Provided that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:*

*Provided further that the Central Transmission Utility or the State Transmission Utility shall be deemed to be a transmission licensee under this Act:*

*Provided also that in case an Appropriate Government transmits electricity or distributes electricity or undertakes trading in electricity, whether before or after the commencement of this Act, such Government shall be deemed to be a licensee under this Act, but shall not be required to obtain a licence under this Act:*

*Provided also that the Damodar Valley Corporation, established under sub-section (1) of section 3 of the Damodar Valley Corporation Act, 1948, shall be deemed to be a licensee under this Act but shall not be required to obtain a licence under this Act and the provisions of the Damodar Valley Corporation Act, 1948, (14 of 1948) in so far as they are not inconsistent with the provisions of this Act, shall continue to apply to that Corporation:*

*Provided also that the Government company or the company referred to in sub-section (2) of section 131 of this Act and the company or companies created in pursuance of the Acts specified in the Schedule, shall be deemed to be a licensee under this Act:*

*Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (relating to the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:*

*Provided also that in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:*

*Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any licence for such generation and distribution of electricity, but he shall comply with the measures, which may be specified by the Authority under section 53:*

*Provided also that a distribution licensee shall not require a licence to undertake trading in electricity.*

Section 15 of the Act, which deals with procedure for grant of licence, reads as follows:

*(1) Every application under section 14 shall be made in such form and in such manner as may be specified by the Appropriate Commission and shall be accompanied by such fee as may be prescribed.*

*(2) Any person who has made an application for grant of a licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted-*

*(i) until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it:*

*Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of the notice as aforesaid;*

*(ii) until, in the case of an application for a licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission has ascertained that there is no objection to the grant of the licence on the part of the Central Government.*

*(3) A person intending to act as a transmission licensee shall, immediately on making the application, forward a copy of such application to the Central Transmission Utility or the State Transmission Utility, as the case may be.*

*(4) The Central Transmission Utility or the State Transmission Utility, as the case may be, shall, within thirty days after the receipt of the copy of the application referred to in sub-section (3), send its recommendations, if any, to the Appropriate Commission:*

*Provided that such recommendations shall not be binding on the Commission.*

*(5) Before granting a licence under section 14, the Appropriate Commission shall*

*(a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;*

*(b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or the State Transmission Utility, as the case may be.*

*(6) Where a person makes an application under sub-section (1) of section 14 to act as a licensee, the Appropriate Commission shall, as far as practicable, within ninety days after receipt of such application,-*

*(a) issue a licence subject to the provisions of this Act and the rules and regulations made thereunder; or*

*(b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force:*

*Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.*

*(7) The Appropriate Commission shall, immediately after issue of a licence, forward a copy of the licence to the Appropriate Government, Authority, local authority, and to such other person as the Appropriate Commission considers necessary.*

*(8) A licence shall continue to be in force for a period of twenty-five years unless such licence is revoked.*



## 6. Initiation of Licensing process

(1) The Commission may, if it considers it necessary or on the basis of recommendations from Government / State Transmission Utility (STU) invite applications from the public fulfilling such eligibility requirements as may be stipulated by it from time to time for grant of transmission licence / distribution licence as the case may be, by public notification through issue of advertisements in newspapers, always guaranteeing the principles of transparency.

(2) Suo motu applications for distribution or transmission licence, if received without any specific notifications to this effect by the Commission, shall be considered by the Commission in the following way:

(a) The Commission will satisfy itself that the proposal is technically and otherwise a viable one. It will improve the consumer's interest and also promote competition;

(b) Public will be informed regarding the receipt of such a suo motu application and further applications will be invited from any other interested (parties) persons;

(c) Based on all applications received these regulations along with the procedures laid down will be followed for issue of licence.

## 7. Application for grant of licence

(1) The application for grant of licence under section 14 of the Act, to transmit electricity or distribute electricity or to undertake trading in electricity shall respectively be in Form No. 1, Form No. 2 and Form No. 3 specified as Annexures 2, 3 and 4 of these regulations and shall be accompanied by the proof of payment of such fees as prescribed by the State Government.

(2) Every application for a licence shall be signed by the applicant or his authorised representative and shall be addressed to the Designated Officer of the Commission. The application shall be filed in five sets or such number of copies as the Commission may direct, and each set shall be accompanied by;

(a) three sets of maps of the proposed area of transmission or distribution. Such maps shall be on a scale of

(i) not less than 10 cm to a km or

(ii) such other scale as may be approved by the Commission in the circumstances of the case.

(b) a list of all local authorities vested with the administration of any or all the portion of the area of transmission or distribution or trading;

(c) an approximate statement describing any lands which the applicant proposes to acquire for the purpose of the licence, under the provisions of the Land Acquisition Act, 1894 (Act 1 of 1894) and the proposed means of such acquisition;

(d) a detailed description of the existing assets if any, in the applicant's proposed area of activity, including the single line diagram of the network as well as an executive summary of the existing facilities, details of other equipments/apparatus in his area including number and details of sub-stations, details of transformers, a description of the metering systems and other relevant details of the system.

(e) an approximate statement of the capital proposed to be expended in the proposed area of activity of the licence and such other particulars as the Commission may require;

(f) a copy of the Memorandum of Association (MoA) and Articles of Association (AoA) of the company where the applicant is a body corporate, Certificate of Incorporation/ Registration, Certificate of commencement of business, details of Income Tax registration or Tax Account Number and similar statutory documents in all cases;

(g) Audited annual accounts for previous five years in case the applicant was in the same business or the project report certified by the chartered accountant;

(h) proof for having paid the application fee;

(i) details and background of the applicant;

(j) such other documents/information as the Commission may, in this regard, require by order.

(k) in case of an applicant seeking a trading licence, volume of power intended to be traded during the first year after grant of licence and the future plans for trading during the next five years.

(3) The application for licence shall be supported by an affidavit in Form No. 4 in the Annexure 5 with these Regulations sworn before Advocate / Notary Public / Magistrate / Gazetted officer.

<sup>1</sup>[(4) A person applying for grant of a licence, for distribution of electricity through his own distribution system within the same area of supply of an existing distribution licensee shall, comply with such additional requirements including capital adequacy, credit worthiness or code of conduct as prescribed by the Central Government in Distribution of Electricity Licence (additional requirement of Capital Adequacy, Credit worthiness and Code of Conduct) Rules, 2005 and as amended from time to time.]

(5) Any Person applying for licence to undertake trading in electricity in the State of Tamil Nadu shall duly fulfil the conditions of capital adequacy requirement and credit worthiness as specified under sub-regulation (6) and technical requirement, as stipulated under sub-regulation (7).

(6) Capital adequacy requirement, and creditworthiness of electricity trader:

(a) Having regard to the volume of trading proposed to be undertaken, the network of an electricity trader at the time of his application shall be as set out in the Table 1 hereunder:-

**Table 1 – Net Worth**

S. No.	Category	Volume of electricity proposed to be traded (in kWh) per annum	Minimum Network (in Rs. Crores)
1	A	Less than 50 MU	1
2	B	Greater than 50 MU and equal up to 100	2
3	C	Greater than 100 MU and equal up to 200 MU	4
4	D	Greater than 200 MU and equal up to 300 MU	6
5	E	Greater than 300 MU and equal up to 400 MU	8
6	F	Greater than 400 MU and equal up to 500 MU	10
7	G	Greater than 500 MU	Trade volume (in kWh) x Rs. 0.2

(b) An applicant applying for a trading licence, and if the applicant is a company, the promoters of the company, and if the applicant is a partnership firm, the partners of the firm, shall at no time have been classified as “wilful defaulter” by the Reserve Bank of India or other relevant authority.

(c) If the applicant is a company, which has been rated by a credit rating agency within a period of eighteen (18) months prior to the date of the application for grant of trading licence, it shall have a rating above ‘B’.

(d) Where an applicant has one or more borrowal accounts with a bank (s), all such accounts should be classified as ‘Standard’ by each of its bankers.

(7) Technical requirements of the applicant applying for a licence:

The applicant for a licence shall have:

(a) at least one full-time professional in the relevant discipline with a minimum of twenty years experience to lead the organisation along with sufficient engineering personnel commensurate with the quantum and nature of works involved in the licensed business.

(b) at least one full-time finance/ accounts professional with a minimum of twenty years experience to lead the finance and accounting wing, along with sufficient finance and accounting personnel commensurate with the quantum and nature of works involved in the licensed business.

(c) sufficient skilled staff, including those at the lower levels with adequate qualifications and experience and basic computer awareness, in order to discharge technical / commercial transactions smoothly.

(d) adequate office area with appropriate communication facilities to the satisfaction of the Commission to effectively communicate with the different business associates and regulatory bodies.

(e) to show justification to the satisfaction of the Commission that the technical capability and resources exhibited by the applicant are adequate to manage the licensed business.

<sup>1</sup>Substituted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)** which before substitution stood as under:

**“A person applying for grant of a licence, for distribution of electricity through his own distribution system within the same area of supply of an existing distribution licensee shall, comply with such additional requirements including capital adequacy, credit worthiness or code of conduct as may be prescribed by the Central Government.”**

**<sup>1</sup>[7A. Disqualifications** : The applicant shall not be qualified for grant of licence if :

(a) he or any of his partners, or promoters, or Directors or Associates is declared insolvent and has not been discharged ; or

(b) he or any of his partners, or promoters, or Directors or Associates is involved in any legal proceedings, and in the opinion of the Commission grant of licence in the circumstances, may adversely affect the interest of the electricity sector of the consumers; or

(c) he or any of his partners, or promoters, or Directors or Associates has at any time in the past been convicted of an offence involving moral turpitude or any economic offence ; or

(d) an order cancelling the licence of the applicant, or any of his partners, or promoters, or Directors or Associates, has been passed by any Commission on the ground of his indulging in fraudulent and unfair trade practices or market manipulation or activities involving moral turpitude; or

(e) he has in the past been-

(i) refused a licence on the grounds which continue to remain valid ; or

(ii) subjected to any proceedings for contravention of any of the provisions of the Act or the rules or the regulations made thereunder ; or

(f) he is not considered a fit and proper person for the grant of licence for any other reason to be recorded in writing;

**Explanation** : For the purpose of determining as to whether the applicant is a “fit” and proper person, the Commission may take account of any consideration, as it deems fit, including but not limited to the following, namely:-

(i) financial integrity of the applicant

(ii) his competence

(iii) his reputation and character; and

(iv) his efficiency and honesty.]

## **8. Receipt and acknowledgement of application**

Upon receipt of the application for grant of licence along with the proof of payment of such fees as prescribed by the State Government, the Designated Officer shall enter the particulars in a register to be maintained for the purpose and allot a reference number to the application. The Designated Officer shall then dispatch to the Applicant, at the address stated in the application, an acknowledgement stating the date of receipt and the reference number.

## **9. Notice of application and contents thereof**

(1) (a) <sup>2</sup>[The applicant shall, within seven days from the date of the application, publish in two English national daily newspapers, including one economic newspaper and two Tamil daily newspapers having a wide circulation in the area for which the licence is sought, a notice of his application as given in Annexure 1.

Where there is more than one edition of the newspaper (both English and Tamil) in the area for which the licence is applied for, the applicant shall ensure that the notice is published in all such editions.

Provided that the applicant may request the Commission to permit it to refrain from publishing any confidential information in order to protect its business interests or rights in intellectual property and the Commission may grant such request after due consideration.]

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)** which before substitution stood as under:

***“The applicant shall, within seven days from the date of the application, publish in two English national daily newspapers, including one economic newspaper and two Tamil daily newspapers having a wide circulation in the area for which the licence is sought, a notice of his application as given in Annexure-1.***

***Provided that the applicant may request the Commission to permit it to refrain from publishing any confidential information in order to protect its business interests or rights in intellectual property and the Commission may grant such request after due consideration.”***

(b) The applicant shall endeavour that the notice is published in all the newspapers simultaneously on the same day. However, in case the notice is published on different days in different newspapers, the date last published will be deemed to be the date of publication of the notice.

(c) Unless otherwise specified by the Commission, the notice shall be published in at least two successive issues of the dailies.

(2) The applicant shall post complete application along with annexures and enclosures in his own website or any other authorised website to facilitate access to the application by any person through internet. The application with enclosures shall also be submitted to the Commission in a compact disk (CD).

(3) Applicants for grant of transmission licence are required to forward a copy of such application to the State Transmission Utility for recommendation.

(4) In addition to the above, the Commission may direct that notice of the application be served on any designated representative of the Central Government, the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.

(5) The Applicant shall within seven days from the date of publication of the notice as aforesaid submit to the Commission on an affidavit the details of the notice published and shall also file with the Commission relevant copies of the newspapers in which the notice is published.

(6) The applicant shall make sufficient number of copies of application available for inspection by any person.

## **10. Objections and Suggestions**

(1) Any Person intending to object to the grant of the licence shall file objections by way of affidavit within thirty days from the date of publication of the notice referred to in Regulation 9(1)(a) annexing thereto proof of having served copy of such objections upon the Applicant. The objections shall be addressed to the Designated Officer. Upon receipt of such objections, the Designated Officer shall imprint the reference number of the concerned licence application on the same and shall file such objections in the file relating to the concerned licence.

(2) The Designated Officer shall serve a copy of all the objections received by him on the applicant within one week of its receipt.

(3) The applicant may file his comments on the objections or suggestions received in response to the notice within fifteen (15) days of receipt of the objections from the Designated Officer.

(4) The State Transmission Utility shall, within thirty days from the date of receipt of the copy of the application, send its recommendations, if any, to the Commission.

*Provided such recommendations shall not be binding on the Commission.*

## **11. Verification of objections**

Where the application is for grant of licence for an area, which includes the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of Government for defence purposes, the licence shall be granted by the Commission only after ascertaining that there is no objection to the grant of licence on the part of the Central Government.

## **12. Local inquiries and Hearings**

(1) Upon compliance by the applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and upon the expiry of the time for receiving objections, the Commission may consider the application for grant of licence through a hearing or without hearing process as it considers appropriate.

(2) (a) If any person objects to the grant of a licence applied for under the Act the Commission may, if it considers necessary, cause a local inquiry to be held for which the notice in writing shall be given to both the applicant and the objector.

(b) Where a local inquiry is ordered and held under clause (a) above, the Commission shall, in its order requiring the local inquiry, or by further order in writing, specify the time within which the local inquiry is to be completed.

Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local inquiry.

(c) In case such local inquiry is ordered and conducted, a memorandum of the results of the local inquiry made shall be prepared and shall be signed by the applicant, the Designated Officer and such other person as the Commission may direct.

(d) The Commission while hearing the application for the grant of licence shall consider the results of the local inquiry.

(3) The Commission on deciding to follow a public hearing process shall thereafter proceed as far as possible in the same manner as provided in Chapter II of the Conduct of Business Regulations.

(4) The Commission shall give the notice of hearing to the applicant, the Central Government, the State Government and such other authority, person or body as the Commission considers appropriate.

(5) The Commission may determine the manner, the place, the date and the time of the hearing on the application.

### **13. Notification of proposal to grant licence**

Before granting a licence under section 14, the Commission shall publish a notice in two daily newspapers, including one economic newspaper and one Tamil daily having wide circulation in the area for which the licence is sought, stating the name of the person to whom it proposes to issue the licence;

### **14. Grant of licence**

(1) The Commission shall, as far as practicable, within ninety days after receipt of such application,-

(a) issue a licence subject to the provisions of this Act and the rules and Regulations made thereunder after taking all objections/suggestions into consideration; or

(b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force.

*Provided that application shall be rejected unless the applicant is given an opportunity of being heard.*

(2) After issue of licence, the Commission shall forward a copy of the licence to the Government of Tamil Nadu, Central Electricity Authority, local authority and to such other person the Commission may consider it appropriate.

### **15. Format and Date of commencement of Licence and the conditions of the licence**

(1) The licence shall commence from such date as the Commission may specify as the date of commencement of licence.

(2) The format and conditions of licence applicable to a transmission licensee, including any person who is a deemed transmission licensee, under section 14 of the Act, shall be as specified in Form No.5 in the Annexure 6 to these Regulations.

(3) The format and conditions of licence applicable to a distribution licensee, including any person who is a deemed distribution licensee, under section 14 of the Act, shall be as specified in Form No.6 in the Annexure 7 to these Regulations.

(4) The format and conditions of licence applicable to any person undertaking trading of electricity shall be as specified in Form No. 7 in the Annexure 8 to these Regulations.

### **16. Amendment of licence**

(1) The terms and conditions of the licensee may be modified by the Commission in public interest or otherwise on an application made by the licensee.

(2) The procedure specified in Regulation 7 shall mutatis mutandis be applicable in case of licensee making an application for any alteration of or modification to, the terms and conditions of the licence. The notice shall contain the details of amendment / alteration / modification and the reasons thereof.

(3) Where any alterations or amendments in a licence are proposed to be made otherwise than on the application of the licensee, the Commission shall publish the proposed alterations or amendments with such particulars the Commission deems necessary in two English dailies and two Tamil dailies circulating in the Licensee's area of activity.

### **17. Compliance of Codes and Regulations**

The licensees shall comply with all these regulations, conditions of licence, provisions of the Act, rules and provisions in the Tamil Nadu Electricity Grid Code, Tamil Nadu Electricity Supply Code, Tamil Nadu Electricity Distribution Code, Tamil Nadu Electricity Distribution Standards of Performance Regulations and any other codes or regulations in force.

## 18. Duration

(1) The licence shall be valid for a period of twenty-five years from the date of its commencement unless it is revoked by the Commission.

*Provided that at the expiry of the term, the Commission may at its discretion and considering the interest of the public and after giving any member of the public an opportunity to file his objections, if any, extend the licence for such further period, with or without any modification of licence as the Commission may deem fit.*

(2) Unless otherwise specified in writing by the Commission, the procedure for grant of licence shall be followed while dealing with an application for extension of the duration of a licence.

## 19. Deposit of printed copies of licence

(1) Every person who is granted a licence shall within thirty days of the grant thereof arrange to keep the following as specified by Central Electricity Authority.

(a) adequate number of copies of the licence printed;

(b) adequate number of maps prepared showing the area of activity or area of supply as specified in the licence;

(c) a copy of such licence and maps for public inspection at all reasonable times at his head office, at his local offices (if any) and at the office of every local authority within the area of activity or area of supply as the case may be.

(2) Every such licensee shall, within the aforesaid period of thirty days, supply free of charge one copy of the licence and the relevant maps to every local authority within the area of activity or area of supply as the case may be, and shall also make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same, at a price not exceeding normal photocopying charges per copy.

## 20. Revocation

The revocation of the licence shall be as stipulated under section 19 of the Act, which reads as follows:

(1) *If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:-*

*(a) where the licensee in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or rules or regulations made thereunder;*

*(b) where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;*

*(c) where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor-*

*(i) to show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or*

*(ii) to make the deposits or furnish the security, or pay the fees or other charges required by his licence;*

*(d) where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.*

(2) *Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.*

(3) *No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months notice in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.*

(4) *The Appropriate Commission may, instead of revoking the licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.*

(5) *Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.*

*(6) Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceedings which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by the Commission for grant of licence.*

## **21. Settlement of Disputes**

(1) The Commission shall adjudicate upon the disputes between the licensees and generating companies or refer any dispute for arbitration on the application of any of the licensees or the generating companies concerned.

(2) The Commission shall issue notice to the concerned licensees and generating companies to show cause as to why the disputes between them or the matters as specified in the notice should not be adjudicated and settled through arbitration.

(3) The Commission may after hearing the concerned licensees and the generating companies to whom notices have been issued and if satisfied that no reason or cause has been shown against the proposed arbitration, pass an order directing that the matter be referred for adjudication or settlement through arbitration.

## **22. Nomination of Arbitrators**

(1) If the Commission decides to refer the matter to arbitration by a person or persons other than the Commission, the reference shall be:

(a) to sole arbitrator if the parties to the dispute agree on the name of the arbitrator; or

(b) if the parties are unable to agree on the name of the sole arbitrator to be designated by the Commission, the Commission may direct referral of the dispute to three arbitrators taking into account the nature of the dispute and the value involved. In such an event, one arbitrator shall be nominated by each of the parties to the dispute and the third by the Commission:

Provided that if any of the parties fails to nominate the arbitrator or if any of the arbitrators nominated by the parties or the Commission, fails or neglects to act or continue as arbitrator, the Commission shall be entitled to nominate any other person in his place.

(2) The Commission shall not nominate a person as arbitrator to whose nomination any of the licensee or generating companies or other concerned in the arbitration has a reasonable objection on grounds of possible bias or similar such reasons and the Commission considers the objection to be valid and justified.

## **23. Procedure for adjudication, settlement and passing of award**

(1) The procedure to be followed for the arbitration, whether by the Commission itself or by any arbitrator or arbitrators nominated by it shall be as far as possible the same as in the case of hearing before the Commission as provided for in Chapter II of the Conduct of Business Regulations.

(2) The Arbitrator or arbitrators nominated by the Commission after hearing the parties shall pass a speaking award giving reasons for the decision on all issues arising for adjudication and forward the award to the Commission within such time as the Commission may stipulate.

(3) The Commission shall give notice of the award given by the arbitrator or arbitrators appointed by the Commission to the parties concerned and shall give an opportunity to the parties to file objection to the award and reply to the objections within such time as the Commission may direct.

(4) The Commission shall be entitled to pass appropriate orders, as it thinks fit after giving an opportunity of hearing to the parties.

## **24. Cost of arbitration and proceedings**

The cost of the arbitration and proceedings before the Commission shall be borne by such parties and in such sums as the Commission may direct.

## **25. Financial implication and proportion of revenue from other business**

(1) The transmission / distribution licensee may engage, with prior intimation to the Commission, in any other business **for optimum utilisation of its assets** under the licensed business

(2) The transmission / distribution licensee engaging in other business, shall pay to the licensed business at least 50% of its profits earned out of such other business by using this asset, which shall be utilised for reducing the charges for transmission, or wheeling or distribution of electricity

(3) The transmission / distribution licensee engaging in other business, shall not in any manner utilize the assets and facilities of the licensed business or otherwise directly or indirectly allow its other business to be undertaken in a manner that results in the licensed business subsidising its other business.

(4) The transmission / distribution licensee engaging in other business, shall not in any manner, directly or indirectly encumber the assets and facilities of the licensed business for the other business or for any activities other than the licensed business.

(5) The other business carried out by optimally utilising the assets covered under the licence, shall not in any way affect or likely to affect the quality of supply and also quality of service rendered.

## **26. Minimum information to be maintained by the Licensee**

(1) The licensee shall at all times maintain minimum information as detailed in the following sub-clauses to enable any Investigating Authority to accomplish its investigation directed to by the Commission under section 128 of the Act:

(a) Maintenance of separate accounts for other business to ensure that the licensed business does not subsidise the other business;

(b) Records to show that the assets of the licensed business is not encumbered to support other business;

(c) Information on revenue from other business allocated to licensed business;

(d) Approval of Commission, if any, on assignment of licence, transfer of assets, acquisition of utility of other licensee within the same State;

(e) Quantum of compensation paid automatically and on claim for failure to achieve each of the standards of performance prescribed;

(f) Details of accidents and major incidents occurred in the area of activity;

(g) Books of accounts with subsidiary ledgers to verify the billing and collection of the charges at the rates approved by the Commission; and

(h) Registers showing the number of complaints/grievances received and disposed of and the details of awards by Ombudsman.

(2) The information thus maintained shall be verified, validated and updated regularly by the licensee.

(3) The transmission licensee shall at all times maintain, updated information on operational details specified herein in the manner as may be required under the Tamil Nadu Electricity Grid Code, of its licensed business.

(a) Sub-station details (*incomer source, outgoing feeder, transformation capacity, Current Transformer, Potential Transformers, etc*), single line diagrams (*showing lines [incl. line length, conductor size], transformers, feeders, etc.*), metering systems and status

(b) Details of interface points, metering points and status of meters.

(c) Peak Demand (*un-restricted and restricted*), Peak Availability, etc.

(d) Performance details as against the standards specified by the Commission, in the area of connectivity, quality of supply (*voltage, frequency, interruptions [duration and numbers]*), system outage (*planned and unplanned*), energy received, transmitted and system losses, etc.

(e) Connection capacity information.

(f) Details of protection systems.

(4) The distribution licensee shall at all times maintain, updated information on operational details specified herein in the manner as may be required under the Tamil Nadu Electricity Distribution Code and the Tamil Nadu Electricity Supply Code, of its licensed business.

(a) Sub-station details (*incomer, source, outgoing feeder, distribution transformer capacity, Current Transformer, Potential Transformers, etc*), single line diagrams (*showing lines [incl. line length, conductor size], transformers, feeders, etc.*), metering systems and status.

(b) Details of interface points, metering points and status of meters.

(c) Peak Demand (*un-restricted and restricted*), Peak Availability, availability of system capacity to allow open access, etc.

(d) Performance details as against the standards specified by the Commission, with reference to Quality of Supply (*voltage, frequency, interruptions [duration and numbers]*), System Outage (*planned and unplanned*), energy received, transmitted and system losses, etc.



(e) Records of application requiring supply (status and connection details)

(f) Billing (*records of meter reading, copies of bills generated, evidence of issuance of bills, records with billing details, etc.*), Collection (*details of collection, copies of bill receipts, etc.*), details of disconnection (*evidences of issuance of notice, effecting of disconnection, etc.*).

(5) The trading licensee shall at all times maintain, updated information on operational details specified herein in the manner appropriate, of its licensed business.

(a) Details of the various Agreements including billing and settlement agreement;

(b) Quantum electricity traded and the source thereof;

(c) Details of beneficiaries of trade;

(d) Details of any default in supply; and

(e) Details of disputes in bills.

## **27. Notice of acquisition or merger of any utility of Licensee with that of any other Licensee**

(1) For purpose of securing the prior approval in terms of section 17 of the Act, the Commission shall require the applicant to first publish the brief particulars of his application in two English dailies and two Tamil dailies circulating in the area to which the proposed acquisition relates. The Commission would consider all objections received within thirty days of the date of publication of the notice before granting or refusing the approval sought.

(2) The procedure in the Conduct of Business Regulations shall as far as practicable apply to proceedings under sub-regulation (1).

## **28. Regulation of Licensee's purchase of power**

(1) The licensee shall file with the Commission, complete copies of all power purchase agreements already entered into by it.

(2) The licensee shall establish to the satisfaction of the Commission that the purchase of power by the licensee is under a transparent procurement process and is economical and the power purchased is necessary for the licensee to meet its service obligation, and the licensee shall produce all necessary documentary and other evidence to satisfy the Commission of the same.

(3) As far as possible power procurement shall be through a transparent competitive bidding mechanism in accordance with guidelines issued by the Central Government.

(4) The licensee shall purchase power from renewable energy sources as directed to by the policy on purchase of power from renewable energy sources and cogeneration in Tamil Nadu.

## **29. Saving of inherent power of the Commission**

(1) Nothing in these regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

(2) Nothing in these regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.

(3) Nothing in these regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no Regulation have been framed, and the Commission may deal with such matters with powers and functions in a manner it thinks fit.

## **30. General power to amend**

The Commission may, at any time and on such terms as to costs or otherwise, as it may think fit, amend any defect or error in any proceeding before it, and all necessary amendments shall be made for the purpose of determining the real question or issue arising in the proceedings.

### **31. Power to remove difficulties**

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, take action, for removing the same, consistent with the provisions of the Act.

### **32. Power to dispense with the requirement of these Regulations**

The Commission shall have the power, for reasons to be recorded in writing to dispense with the requirements of any of these regulations in a specific case or cases and such cases shall be made known to public.

### **33. Extension or abridgment of time prescribed**

Subject to the provisions of the Act, the time prescribed by these regulations or by order of the Commission for doing any act may be extended (whether it has already expired or not) or abridged for sufficient reason by order of the Commission.

### **34. Effect of non-compliance**

Failure to comply with any requirement of these regulations shall not invalidate any proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

### **35. Enforcement of order passed by the Commission**

(1) When the Commission is satisfied that a licensee has failed to comply with any of the conditions of the licence or provisions of the Act or codes or regulations, it may direct an investigation into the affairs of the licensee at the cost of the licensee.

(2) The investigating authority shall conduct the investigation in accordance with the provisions of section 128 of the Act.

(3) On receipt of investigation report from the investigating authority, the Commission may in accordance with the provisions of the Act and giving such opportunities to the licensee to make representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-

(a) Require the licensee to take such action in respect of any matter arising out of the report as the Commission may think fit;

(b) Cancel the licence or suspend in the case of distribution licensee

(4) The Commission may also, after giving reasonable notice to the licensee publish the report submitted by the investigating authority.

(5) The Secretary shall ensure enforcement and compliance of the orders passed by the Commission, as directed to under the Conduct of Business Regulations and in accordance with the provisions of section 129 of the Act.

### **36. Service and publication of notice**

1. When the Commission is satisfied, based on the materials in its possession, that the licensee is contravening or likely to contravene any of the conditions for grant of licence or grant of exemption or has contravened or likely to contravene any of the provisions of the Act, it shall by an order give necessary directions to secure compliance with that condition or provision duly taking into account the loss or damage to any person consequent to such contravention and after giving notice to the licensee.

2. The notice shall be served to the address of the licensee by Registered Post with Acknowledgement Due or through Special Messenger and signed acknowledgement receipt obtained.

3. In case the premise is found locked it shall be served by affixing the notice on the conspicuous part of the premises.

4. The notice shall also be published in two English and one Tamil newspaper having wide circulation in the licensee's area of activities.

### **37. Cognizance of offence**

No court shall take cognizance of an offence punishable under the Act except upon a complaint, in writing, made by the Commission or by any other officer duly authorised by the Commission for this purpose.

(By Order of Tamil Nadu Electricity Regulatory Commission)

R. BALASUBRAMANIAN,  
*Secretary.*

## Annexure 1

### PROFORMA OF PUBLICATION OF NOTICE OF APPLICATION FOR GRANT OF LICENCE FOR TRANSMISSION/ DISTRIBUTION/ TRADING

[See Regulation 9(1)(a)]

#### <sup>1</sup>[Name and address of the applicant

#### Notice under Regulation (9) (1) (a) of Tamil Nadu Electricity (Licensing) Regulation]

Notice is hereby given to all the interested persons that We, Messrs. .... (name and address of the Applicant) have applied to the Tamil Nadu Electricity Regulatory Commission (the Commission) for grant of licence to or amendment to the conditions of licence ..... (nature of the licence) in the area ..... (specify the area of activity). The application and other documents filed by us can be inspected at our office of ..... (address of the Applicant's office) and the copies of the same will be available from us for Rs. ... (for a price not exceeding the normal photocopy charges). The complete application is available in our website .....

Any person who has objection to or otherwise for grant of licence may forward the objection/representation to the Commission's office situated at ..... (address) in ..... copies by hand delivery or by registered post and should serve a copy of the objection/representation to us at the address mentioned above.

#### GENERAL INFORMATION OF APPLICANT

##### 1. Details of Applicant

- a. Full Name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation & Address of the Contact Person :
- d. Contact Telephone Numbers :  
Fax Number(s) :  
Email ID :

##### 2. Details of Ownership

(a) Company/ Firm/ Association of persons/ Co-operative Society/ Others (specify)

- (b) Company Incorporation/ Registration  
Place of Incorporation/ Registration :  
Year of Incorporation :  
Registration Number :

(c) Name and Address of Directors/ Principal Shareholders/ Partners/ Members

##### 3. Area of Activity

##### 4. Volume of Business for five years

In case of notice of application for amendment to the conditions of licence, the details of amendments sought for and the reasons therefore shall be furnished in the notice.

The person filing the objection/ representation should give the following particulars

- 1. Name and full address
- 2. Grounds/reasons in support of the objection/representation together with documents or evidence, if available
- 3. Whether he wishes to be heard in person or through authorised representative at the time of hearing.
- 4. An affidavit for verification of information.

<sup>1</sup>Substituted for the expression "NOTICE" as per Commission's Notification No. TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)

## Annexure 2

### FORM No.1: APPLICATION FORM FOR A TRANSMISSION LICENCE IN THE STATE OF TAMIL NADU

[See Regulation 7(1)]

#### PART A : GENERAL INFORMATION OF APPLICANT

##### 1. Details of Applicant

- (a) Full Name of the Applicant :
- (b) Full Address of the Applicant :
- (c) Name, Designation and Address of the Contact Person :
- (d) Contact Telephone Numbers :
  - Fax Number(s) :
  - Email ID :

##### 2. Details of Ownership

- (a) Company/ Firm/ Association of persons/ Co-operative Society/ Others (specify)
- (b) Company Incorporation/ Registration
  - Place of Incorporation/ Registration :
  - Year of Incorporation :
  - Registration Number :
- (c) Name & Address of Directors/ Principal Shareholders/ Partners/ Members

##### 3. Details of the area and transmission network for which transmission licence has been sought:

- a. Boundaries of the proposed area of transmission
- b. Coverage of transmission network
- c. Voltage Class of Line
- d. Length of Line (Ckt. Kms)
- e. Circuit (Single/ Double)
- f. Location of the Substation
- g. Voltage Level (s) of Substation
- h. Transformer (Nos. & Capacity in MVA)
- i. Shunt Reactor (Nos. & Capacity in MVAR)
- j. Static Var Compensator (Nos. & Capacity in MVAR)
- k. Number of Bays

##### 4. Organisational Capabilities

- (a) Management capability
- (b) Financial Strength
- (c) Ability to discharge transmission activities in a sustainable manner

5. Whether the area of activity falls under cantonment/ aerodrome/ fortress/ arsenal/ dockyard/ camp or place for the occupation of the Government for defence purpose.

##### 6. Date from which licence is sought

## **PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

### **1. Documents (attested copies) to be submitted along with the licence application**

- (a) Information relating to pre-existing licence (if any), with copy of licence/sanction
- (b) Certificate of Incorporation/ Registration.
- (c) Certificate of commencement of Business.
- (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
- (e) Articles of Association, Memorandum of Association and similar constitutional documents.
- (f) Income Tax - PAN/TAN.
- (g) Details of import licence, if any.

### **2. Data relating to Management and Financial capability**

- (a) Managerial
  - (i) Senior management's curriculum vitae
  - (ii) Cadre strength for different categories (technical and non-technical)
- (b) Financial
  - (i) Bank references asserting that the Applicant is financially solvent
  - (ii) Audited Annual Accounts for the past 5 years for the Applicant
- (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.
- (d) Data relating to the Applicant's Proposed Business.

(e) Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise load growth, year wise transmission loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).

(f) Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

### **3. Detailed Map**

- a. Detailed electrical transmission map (including information on substations and configuration of the system).
- b. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence.
- c. A list of all local authorities vested with the administration of any portion of the area of transmission.

4. An approximate Statement describing any lands, which the Applicant proposes to acquire for the purpose of the licence and the means of such acquisition.

Date:

*Signature of the Applicant.*

**PART C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT**

*(This form to be filled by an Applicant applying for a transmission licence)*

**1. Previous Experience (Past 5 years details of Related Business)**

*[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]*

<b>General Information</b>					
Name and Address of the Transmission/Distribution project developed					
Brief description of project developed					
Participation Status of the applicant on the above projects					
Cost of the project (s) developed – Rs. Lakhs.					
Name and Address of the Client company for whom the project were developed					
Name, Designation & Address of Reference person of Client Company					
<i>Details of Transmission/ Distribution project (s) managed in the last 5 years – Commercial Operations</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<b>Asset Base</b> Transformers (Nos.) 1 MVA 2 MVA 3 MVA 4 MVA 5 MVA Others ( <i>specify</i> ) HT Line (Ckt. Kms) 400 kV 220 kV 110 kV 66 kV Others ( <i>specify</i> ) Shunt Reactor (Nos. and Capacity in MVA) Static Var Compensator (Nos. & Capacity in MVAR) Number of Bays					
Number of Contracts with details Transmission Domestic International Distribution Domestic International					

Specific details of Projects (Top 5 Projects)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)
Timelines Commencement of Construction Scheduled Date Actual Date Commissioning Scheduled Date Actual Date Commercial Operations Scheduled Date Actual Date Project Cost Estimated Cost Actual Cost on Completion					
<i>Financial Information (Rs. Lakhs)</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Inst. Public Others ( <i>specify</i> )					
Liabilities Long Term Short Term					
Income Transmission Service Distribution Service Others ( <i>specify</i> )					
Expenses Admin. & General Expense Repairs & Maintenance Employee Cost Interest & Financial Charges Long Term Short Term Others ( <i>specify</i> )					
Profits and Returns Net Profits Dividends Paid					

We hereby certify that we are a Power Utility owning & maintaining transmission lines of 66 kV or higher voltage level. Details of all the transmission lines & sub-stations of 66 kV or higher voltage level owned and maintained by us are given below (As applicable):

Name of the Sub-station	Voltage level Sub-station	Name of the Line(s)	Voltage level of the Line	Circuit (S/C or D/C)	Length of the Line(s) Ckt. Kms.	No. of Transformer, Bays, Reactors etc.,	Capacity of Transformers/ Reactors (MVA/ MVAR)	State/ Country where located.
1.								
2.								
3.								
4.								
5.								

## 2. DETAILS OF PROPOSED PROJECT (BUSINESS FOR WHICH LICENCE IS SOUGHT)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

(i) Is the applicant acquiring Existing Assets or Creating New Assets?

(ii) For Applicants acquiring Existing Assets or Creating New Assets

Funding	
Proposed means of Finance Equity (Rs. Lakhs) Applicant Co-promoters Others ( <i>specify</i> ) Debt Domestic (Rs. Lakhs) Indian Financial Institutions Commercial Banks Others ( <i>specify</i> ) International (FC Million) Supplier's Credit Direct Borrowing Others ( <i>specify</i> ) Equivalent INR (with Exchange rate used) Others ( <i>specify</i> )	
In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency	
Name and Address of the Agency, and contact details of the reference person of the Agency ( <i>name, address, telephone/fax</i> )	



<p><i>numbers, email, etc.,)</i></p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Currency in which Equity is proposed</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement/Project</p> <p>Details of Lenders (<i>name and address</i>).</p> <p>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought the loans from any agency.</p> <p>If Yes, provide details</p>	Yes/No
(iii) For Applicants creating New Assets	
<p>EPC</p> <p>Whether the Applicant is proposing to employ an EPC Contractor.</p> <p>If Yes, Name, Address and contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	Yes/No
(iv) For Applicants employing other contractors	
<p><b>Other Contracts</b></p> <p>Whether the Applicant is proposing to employ any Contractor(s) for Operation and Maintenance work.</p> <p>If Yes, Name, Address &amp; contact details of the same.</p> <p>Period of the Contract</p> <p>Details of the experience of the O&amp;M contractor in similar business(es)</p>	<p>Yes/No</p> <p>Yes/ No</p>

**Note :**

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.
2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission

**3. Appropriate Expertise (Personnel)**

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm
1.				
2.				
3.				
4.				
5.				

**Note :** Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance, should be part of the Core team.

#### 4. Revenue Potential (Business for which licence is sought)

<b>General Information</b>					
In case of acquired assets					
Quantum transmitted during previous financial year (MU)					
Expected life of assets acquired (in years)					
In case of construction of new Assets					
Quantum transmitted during previous financial year on parallel network already existing (MU)					
Transmission of Electricity					
Expected Quantum (MU)					
Anticipated growth in demand (%)					
<b>Commercial / Financial Information</b>					
Prevailing Transmission Tariff (Rs./ Unit)					
Estimated Revenue (Rs. Lakhs)					
Capital Base (Rs. Lakhs)					
Estimated Annual Turnover (Rs. Lakhs)					

#### 5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

<b>General Information</b>					
Names of Subsidiary Business Units	Products Manufactured/Services				
1.	1.				
2.	2.				
3.	3.				
4.	4.				
5.	5.				
<b>Financial Indicators</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters' Government/Financial Institutions					
Public					
Others (specify)					
Liabilities					
Long Term					

[illegible]

## 6. Baseline Information (Business for which licence is sought)

<p><b>General Information</b></p> <p>Assets</p> <p>Transformers (Nos.)</p> <p>1 MVA</p> <p>2 MVA</p> <p>3 MVA</p> <p>4 MVA</p> <p>5 MVA</p> <p>Others (<i>specify</i>)</p> <p>HT Line (Ckt. Kms)</p> <p>400 kV</p> <p>220 kV</p> <p>110 kV</p> <p>66 kV</p> <p>Others (<i>specify</i>)</p> <p>Shunt Reactor (Nos. and Capacity in MVA)</p> <p>Static Var Compensator (Nos. and Capacity in MVAR)</p> <p>Number of Bays</p>	
<p><b>Commercial Information</b></p>	
<p>Metering Points and Status</p> <p>Generation to Transmission (G-T) Interconnection Point Total</p> <p>Interconnection Points</p> <p>No. of points with ToD meters</p> <p>No. of points un-metered</p> <p>Transmission to Transmission (T-T) Interconnection Point Total</p> <p>Interconnection Points</p> <p>No. of points with ToD meters</p> <p>No. of points un-metered</p> <p>Transmission to Distribution (T-D) Interconnection Point</p> <p>Total Interconnection Points</p> <p>No. of points with ToD meters</p> <p>No. of points un-metered</p>	
<p>Communication and Commercial System</p> <p>Is there a SCADA system available?</p> <p>If yes, details</p> <p>Details of arrangement with the Load Dispatch Centre (LDC)</p> <p>Existing Communication System(VSAT/ PSTN/ GSM etc)</p>	<p>Yes/No</p>
<p>Transformation Loss (%)</p>	

**Note :**

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

*Signature of the Applicant*

**Annexure 3**

**FORM No. 2: APPLICATION FORM FOR A DISTRIBUTION LICENCE IN THE STATE OF TAMIL NADU**

[See Regulation 7(1)]

**PART A : GENERAL INFORMATION OF APPLICANT**

1. Details of Applicant

- a. Full Name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation and Address of the Contact Person :
- d. Contact Telephone Numbers :  
Fax Number :  
Email ID :

2. Details of Ownership

- a. Company/ Firm/ Association of persons/ Co-operative Society/ Others (*specify*)
- b. Company Incorporation/ Registration  
Place of Incorporation/ Registration :  
Year of Incorporation :  
Registration Number :
- c. Name and Address of Directors/ Principal Shareholders/ Partners/ Members

3. Details of the area and distribution networks for which distribution licence has been sought:

- a. Boundaries of the proposed area of distribution
- b. Coverage of distribution network
- c. Sourcing of Power
  - i. Voltage Level
  - ii. Point(s) of Sourcing
  - iii. Quantum of electricity
    1. Demand (MW)
    2. Energy (MU)

- d. Distribution of Power
  - i. Voltage Level
  - ii. Point(s) of Delivery
  - iii. Categories of End Consumers
- e. Length of HT Line (Ckt. Kms)
- f. Length of LT Line (Ckt. Kms)
- g. Transformer (Nos. and Capacity in MVA)
- 4. Organisational Capabilities
  - a. Management capability
  - b. Financial strength
  - c. Ability to discharge distribution activities in a sustainable manner
- 5. Whether the area of activity falls under cantonment/ aerodrome/ fortress/ arsenal/ dockyard/ camp or place for the occupation of the Government for defence purpose.
- 6. Date from which licence is sought

#### **PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

- 1. Documents (attested copies) to be submitted along with the licence application
  - (a) Information relating to pre-existing licence (if any), with copy of licence/ sanction
  - (b) Certificate of Incorporation/ Registration.
  - (c) Certificate of commencement of Business.
  - (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
  - (e) Articles of Association, Memorandum of Association and similar constitutional documents.
  - (f) Details of Income Tax PAN/TAN
  - (g) Details of import license, if any.
- 2. Data relating to Management and Financial capability
  - (a) Managerial
    - (i) Senior management's curriculum vitae
    - (ii) Cadre strength for different categories (technical and non-technical)
  - (b) Financial
    - (i) Bank references asserting that the Applicant is financially solvent
    - (ii) Annual Audited Reports for the past 5 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).
  - (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.
- 3. Data relating to the Applicant's Proposed Business
  - a. Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise load growth, year wise distribution loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, program for rural electrification, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).
  - b. Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)
- 4. Detailed Map
  - a. Detailed electrical distribution map (including information on substations and configuration of the system) and geographical map for the proposed area of distribution, drawn to scale (scale not less than 10 Cms to one Km or any other scale as may be approved by the Commission).

- b. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence.
- c. The map shall indicate the streets and roads in the proposed area of distribution in which the electricity is to be distributed.
- d. A list of all local authorities vested with the administration of any portion of the area of distribution.
- e. An approximate Statement describing any lands, which the Applicant proposes to acquire under the provisions of Land Acquisition Act, 1894 (Act 1 of 1894) for the purpose of the licence and the means of such acquisition.

Date

Signature of the Applicant.

### PART C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

(This form to be filled by an Applicant applying for a distribution licence)

#### 1. Previous Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (As applicable)]

General Information					
Name and Address of the Distribution project(s) developed					
Brief description of project developed					
Cost of the project developed – Rs. Lakhs.					
Name & Address of the Client company for whom the project were developed					
Name, Designation and Address of Reference person of Client Company					
<b>Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations</b>	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Transformers (Nos.)					
500 kVA					
250 kVA					
100 kVA					
63 kVA					
25 kVA					
10 kVA					
Others					
<b>Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations</b>	Year 1	Year 2	Year 3	Year 4	Year 5

230 kV					
110 kV					
66 kV					
33 kV					
11 kV					
LT Line (Ckt. Kms)					
440 Volts					
Number of Contracts with details					
Transmission					
Domestic					
International					
Distribution					
Domestic					
International					
Specific details of Projects (Top 5 Projects)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)
Timelines					
Commencement of Construction					
Scheduled Date					
Actual Date					
Commissioning					
Scheduled Date					
Actual Date					
Commercial Operations					
Scheduled Date					
Actual Date					
Project Cost					
Estimated Cost					
Actual Cost on Completion					
Consumer Base (Nos.)					
EHT					
HT Industrial					
LT Industrial					
Commercial					
Domestic					
Agricultural					
Others					



Quantum of Energy Distributed					
Total (Million Units)					
Metered Sales (%)					
Revenue Collection					
Amount (Rs. Lakhs)					
Collection Efficiency (%)					
<b>Financial Information (Rs. Lakhs)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters'					
Government/Financial					
Institutions					
Public Others					
Liabilities					
Long Term					
Short Term					
Income					
Sale of Power					
Others					
Expenses					
Administration and General					
Expense					
Repairs and Maintenance					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others					
Profits and Returns					
Net Profits					
Dividends Paid					

## 2. Details of Proposed Project (Business for which licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

- (i) Is the applicant acquiring Existing Assets or Creating New Assets?
- (ii) Acquiring of Existing Assets / Construction of New Assets

<p><b>Funding</b></p> <p>Proposed means of Finance</p> <p>Equity (Rs. Lakhs)</p> <p>Applicant</p> <p>Co-promoters</p> <p>Others (<i>specify</i>)</p> <p>Debt</p> <p>Domestic (Rs. Lakhs)</p> <p>Indian Financial Institutions</p> <p>Commercial Banks</p> <p>Others (<i>specify</i>)</p> <p>International (FC Million)</p> <p>Supplier's Credit</p> <p>Direct Borrowing</p> <p>Others (<i>specify</i>)</p> <p>Equivalent INR (with Exchange rate used)</p> <p>Others (<i>specify</i>)</p>	
<p>In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency</p> <p>Name and Address of the Agency and contact details of the reference person of the Agency (name, address, telephone/fax numbers, email etc.,)</p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement / Project</p> <p>Details of Lenders (name &amp; address).</p> <p>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought for the loans from any agency.</p> <p>If Yes, provide details</p>	<p>Yes / No</p>
<p>(iii) For Applicants creating New Assets</p>	
<p><b>EPC</b></p> <p>Whether the Applicant is proposing to employ an EPC Contractor.</p> <p>If Yes, Name, Address and contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	<p>Yes/ No</p>

(iv) For Applicants employing other contractors

**Other Contracts**

Whether the Applicant is proposing to employ any Contractor for Operation and Maintenance work.

If Yes, Name, Address & contact details of the same.

Period of the Contract

Details of the experience of the O&M contractor in similar business

Yes/ No

**Note :** *Consent letters of the other Agency and Contractors to associate with the Applicant for the above project to be enclosed.*

*Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.*

**3. Appropriate Expertise (Personnel)**

<i>Name of Personnel</i>	<i>Qualification</i>	<i>Specialisation</i>	<i>Years of Experience</i>	<i>Status in the Firm</i>	

*Note : Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance, should be part of the Core team.*

**4. Revenue Potential (Business for which licence is sought)**

**General Information**

In case of acquired assets Quantum energy distributed during previous financial year (MU) Expected life of assets acquired (in years) In case of construction of new Assets Quantum energy distributed during previous financial year on parallel network already existing (MU)	
Consumer Base (Nos.) EHT HT Industrial LT Industrial	
Commercial Domestic Agricultural Others (specify)	
Sale of Electricity Expected Quantum (MU) Anticipated growth in demand (%)	

<b>Commercial Information</b>	
Average Tariff (Rs. / Unit) EHT HT Industrial LT Industrial Commercial Domestic Agricultural Others ( <i>specify</i> )	
Revenue Realization (Rs. Lakhs) Collection Efficiency (%)	
<b>Financial Information</b>	
Capital Base (Rs. Lakhs) Annual Expected Turnover (Rs. Lakhs)	

#### 5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

<b>General Information</b>						
Names of Subsidiary Business Units		Products Manufactured/Services				
1.		1.				
2.		2.				
3.		3.				
4.		4.				
5.		5.				
<b>Financial Indicators</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Fixed Assets						
Gross Fixed Assets						
Accumulated Depreciation						
Net Fixed Assets						
Equity						
Promoters'						
Government/Financial Institutions						
Public						
Others						
Liabilities						
Long Term						
Short Term						
Income						
Sale of Power						
Others ( <i>specify</i> )						

Expenses					
Administration and General Expense					
Repairs and Maintenance					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others ( <i>specify</i> )					
<b>Financial Indicators</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Overall Turnover (Rs. Lakhs)					
Profits and Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy and Credit worthiness					
Debt/Networth					
Debt/Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					

**6. Baseline Information (Business for which licence is sought)**

General Information	
Assets	
Transformers (Nos.)	
500 kVA	
250 kVA	
100 kVA	
63 kVA	
25 kVA	
10 kVA	
Others	
HT Line (Ckt. Kms)	
230 kV	
110 kV	
66 kV	
33 kV	
11 kV	
LT Line (Ckt. Kms)	
440 Volts	
Commercial Information	
Metering Status	
Metered Consumers (as a % of Total Consumers)	
Billing Status	
Billing (as a % of Total Input)	
Revenue Realization	
Revenue Realization per Unit Sale (Rs./ Unit)	
Collection Efficiency (%)	
Loss	
Technical Loss (%)	
Commercial Loss (%)	

**Note :**

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

Signature of the Applicant

**Annexure 4**  
**FORM NO. 3: APPLICATION FORM FOR A TRADING LICENCE IN THE STATE OF TAMIL NADU**  
[See Regulation 7 (1)]

**PART A : GENERAL INFORMATION OF APPLICANT**

1. Details of Applicant—

- (a) Full Name of the Applicant :
- (b) Full Address of the Applicant :
- (c) Name, Designation and Address of the Contact Person :
- (d) Contact Telephone Numbers :  
Fax Number :  
Email ID :

2. Details of Ownership—

- a. Company/ Firm/ Association of persons/ Co-operative Society/Others (specify)
- b. Company Incorporation/Registration  
Place of Incorporation/Registration :  
Year of Incorporation :  
Registration Number :  
c. Name and Address of Directors/Principal Shareholders/Partners/Members

**PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

1. Documents (attested copies) to be submitted along with the licence application

- (a) Information relating to pre-existing licence (if any), with copy of licence/ sanction
- (b) Certificate of Incorporation/Registration.
- (c) Certificate of commencement of Business.
- (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
- (e) Articles of Association, Memorandum of Association and similar constitutional documents.
- (f) Details of Income Tax registration.

2. Organisational and Managerial Capability of Applicant

- (a) Managerial
  - (i) Senior management's curriculum vitae
  - (ii) Cadre strength for different categories (technical and non-technical)
- (b) Financial
  - (i) Bank references asserting that the Applicant is financially solvent
  - (ii) Annual Audited Reports for the past 5 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).
- (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.

3. Data relating to the Applicant's Proposed Business

(a) Approach and Methodology (*Applicant is required to describe Approach and Methodology for establishment of the Trading arrangements as proposed by the Applicant*)

(b) Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise anticipated growth in trade volumes, metering plan, treatment of previous losses, debt restructuring plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).

(c) Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

Date

Signature of the Applicant

## LICENSING REGULATIONS (TRANSMISSION, DISTRIBUTION & TRADING)

### Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

*(This form to be filled by an Applicant applying for a trading licence)*

#### 1. Previous Experience (Past 5 years details for Related Business)

*[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]*

##### General Information

Does the applicant have previous experience in electricity trading? Yes/ No

If yes, Specify location (State/ Country)

Does the applicant have trading experience in any other related sector? Yes/ No

If yes, name the sector

Specify location? (State/Country)

<b>Details of electricity trading in the last 5 years – Commercial Operations</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Trading Volume at various voltage levels (Million Units)					
Bulk trade					
Retail trade					
Number of Ongoing Contracts with details					
Bulk trade					
Retail trade					
Bulk trade (Nos. and Quantum)					
End consumers					
Re-seller(s)/Trader(s)					
Retail trade Consumer Base (Nos. and Quantum)					
High Tension					
Low Tension					
Revenue from electricity trading (Rs. Lakhs)					
Bulk trade					
Retail trade					
<b>Details of trading in other Sectors during the last 5 years–Commercial Operations</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Trading Volume (—Units)					
Bulk trade					
Retail trade					



Revenue from trading (Rs. Lakhs)					
Bulk trade					
Retail trade					
Number of Ongoing trading Contracts with details					
Bulk trade					
Retail trade					
<b>Financial Information (Rs. Lakhs)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Equity					
Promoters'					
Government/ Financial Institutions					
Public					
Others					
Liabilities					
Long Term					
Short Term					
Income					
Electricity trading					
Others					
Expenses					
Administration and General Expense					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others					
Profits and Returns					
Net Profits					
Dividends Paid					

## 2. Details of proposed trading activity (Business for which licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

### Funding

Whether applicant himself shall be financing the proposed trading fully on its own balance sheet Yes / No

Proposed means of Finance

Equity (Rs. Lakhs)

Applicant

Co-promoters

Others

Debt Domestic (Rs. Lakhs) Indian Financial Institutions Commercial Banks Others (specify)	
International (FC Million) Supplier's Credit Direct Borrowing Others (specify) Equivalent INR (with Exchange rate used) Others (specify)	
In case the trading activity is proposed to be jointly funded by an External Agency Name & Address of the Agency and contact details of the reference person of the Agency ( <i>name, address, telephone/fax numbers, email, etc.,</i> ) Proposed Equity from the Agency (Rs. Lakhs) Agency's equity as a percentage of total equity (%) Nature of proposed tie-up between Applicant and the other agency. Details of debt proposed for trading activity Details of Lenders ( <i>name and address</i> ). Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc. Whether any guarantee is being sought for the loans from any agency. If Yes, provide details Minimum level of communication infrastructure available? Any other (specify)	Yes / No       Telephone/ Fax/ Internet/ VSAT

**Note :**

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.
2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

**3. Appropriate Expertise (Personnel)**

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm	
1.					
2.					
3.					
4.					
5.					

**Note :** Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Metering, Finance & Commercial transactions should be part of the Core team.

*Knowledge & Understanding of Power Systems Operation (covering Generation Availability, Capacity Utilisation, Demand, Plant Load Factor, Flow of Electricity, etc.), Power Market Operations (Commercial arrangements (PPAs, BSA, TSA etc.) & Communication and Scheduling of Power (Load Dispatch) are required.*

#### 4. Revenue Potential (Business for which licence is sought)

<b>General Information</b> Details of Target Bulk Consumers End Consumer Reseller(s)/ Trader(s)	
Retail Consumer Base (Nos.) High Tension Low Tension Trading of Electricity (Expected Annual) Bulk Trade Expected Quantum (MU) Anticipated demand growth (%) Retail Trade Expected Quantum (MU) Anticipated demand growth (%)	
<b>Commercial Information</b> Existing Average Tariff (Rs./ Unit) Bulk Supply Tariff Retail Supply Tariff High Tension Low Tension	
Financial Information	
Annual Expected Turnover (Rs. Lakhs)	

#### 5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (As applicable)]

<b>General Information</b>	
Names of Subsidiary Business Units	Products Manufactured/Treded
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

<b>Banker's Details</b>					
Details of Bank Accounts Name & Address of the Bank Account Number Contact Person & Details Name of the Representative Designation Contact Numbers Email ID					
<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Institutions Public Others					
Liabilities Long Term Short Term					
Income From Sale From Trading Others					
Expenses Administration and General Expense Repairs and Maintenance Employee Cost Depreciation Interest and Financial Charges Long Term Short Term Others					

<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Overall Turnover (Rs. Lakhs)					
Profits & Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy and Credit worthiness					
Debt/ Net worth					
Debt/ Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					
<b>6. Baseline Information (Business for which licence is sought)</b>					
<b>Commercial Information</b>					
Metering Status					
Total Interconnection points					
Un-metered Interconnection Points					
Metered Bulk Consumers					
Consumers with ToD Meters					
Metered Retail Consumers					
Un-metered Retail Consumers					
Consumers with ToD meters					
Billing Status					
Billing (as a % of Total Input)					
Loss					
Commercial Loss (%)					

**Note :**

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

*Signature of the Applicant*

## Annexure 5

### FORM No. 4: AFFIDAVIT

[See Regulation 7 (3)]

I ..... S/o: ..... Aged ..... Resident of ..... solemnly affirm and state on Oath as follows.

I am Chairperson and Managing Director / Company Secretary / Authorised Signatory ..... (or any other position held by the deponent in the firm or company as the case may be) as such I am well acquainted with the facts of the case. I am authorized to file application, documents, swear affidavits as may be necessary.

The facts stated above in the application and documents provided by me are true to the best of my knowledge and belief.

Signature of the Deponent

This affidavit is solemnly affirmed and signed before me this Day of ..... month of ..... Year

.....

(an Advocate/Notary Public/Magistrate/Gazetted Officer can attest)

## Annexure 6

### FORM No. 5: FORMAT AND CONDITIONS OF TRANSMISSION LICENCE

#### Licence granted for Transmission of electricity

[See Regulations 15(2)]

Licence is granted by the Tamil Nadu Electricity Regulatory Commission under section 14 of the Electricity Act, 2003 (Act 36 of 2003) to ....., for carrying on the business of transmission of electrical energy within the area of activity (as specified under 'licensed activity' in the schedule) and shall be subject to the terms and conditions specified herein. The licence shall come into force from the date of issue of this licence.

## PART - I

### DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires:

(a) **"accounting statement"** means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the licensee engages in any other business or activity for optimum utilisation of its assets in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of transmission licensees and show the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:—

(i) charged from the licensed business to any other business or vice versa together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed ..... business and any other business of the licensee together with a description of the basis of the apportionment or allocation.

However, the deemed licensees under proviso to section 14 of the Act shall continue to maintain the accounts in accordance with Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified or such deemed licensees are reorganised under Section 131 of the Act.

(b) **"Act"** means the Electricity Act, 2003 (36 of 2003);

(c) **"annual accounts"** means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

- (d) **“area of activity”** means the area stated in the licence within which the licensee is authorised to establish, operate and maintain transmission lines;
- (e) **“Auditors”** means the licensee's auditors holding office in accordance with the requirements of sections 224 to 234A or Section 619 as appropriate, of the Companies Act 1956 (1 of 1956);
- (f) **“authorised”**, in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first second third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act;
- (g) **“Commission”** means the Tamil Nadu Electricity Regulatory Commission;
- (h) **“distribution”** means the conveyance of electricity by means of a distribution system;
- (i) **“distribution system”** means a system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.
- (j) **“Force Majeure”** means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (k) **“generating station”** means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switchyard, cables or other appurtenant equipments, if any used for that purpose and the site thereof; a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;
- (l) **“holding company”** shall have the same meaning as assigned to it under the Companies Act, 1956 (1 of 1956);
- (m) **“intervening transmission facilities”** means the electric lines owned or operated by a licensee where such electric lines can be utilized for transmitting electricity for and on behalf of another licensee at his request and on payment of a tariff or charge.
- (n) **“licence”** means the licence granted under Section 14 of the Act;
- (o) **“licensee”** means a person who has been granted a licence under Section 14 of the Act;
- (p) **“licensed business”** means the business of transmission of electricity in the area of activity as authorised under this licence;
- (q) **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (r) **“operational control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipments;
- (s) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;
- (t) **“Overall Performance Standards”** means the standards as may be determined by the Commission pursuant to Section 57 of the Act;
- (u) **“person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (v) **“subsidiary”** shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);
- (w) **“sub-station”** means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cable and other appurtenant equipments and any buildings used for that purpose and the site thereof;
- (x) **“supply”** in relation to electricity means the sale of electricity to a licensee or consumer;
- (y) **“Tamil Nadu Electricity Grid Code”** means the grid code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act;
- (z) **“trader”** means a person who has been granted a licence to undertake trading in electricity under Section 14 of the Act;

- (aa) **"trading"** means purchase of electricity for resale thereof and the expression "trade" shall be construed accordingly;
- (ab) **"transfer"** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ac) **"transmit"** means conveyance of electricity by means of transmission lines and the expression "transmission" shall be construed accordingly;
- (ad) **"transmission lines"** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (ae) **"transmission business"** means the authorised business of a transmission licensee to transmit electricity, whether for its own account or for that of any other person, through any system owned and/ or operated by such licensee;
- (af) **"transmission licensee"** means a licensee authorised to establish or operate transmission lines;
- (ag) **"transmission operating standards"** means the standards related to the licensee's operation of its transmission system stipulated by the Commission in Tamil Nadu Electricity Grid Code;
- (ah) **"transmission planning and security standards"** means the standards related to the adequacy of the licensee's system planning and security of its transmission system as stipulated by the Commission in Tamil Nadu Electricity Grid Code;
- (ai) **"transmission system"** means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (aj) **"use of system"** means use of the transmission system for the transportation of electricity for any person pursuant to a contract entered into with the transmission licensee.
- (ak) **"users"** means anyone who uses the transmission system.
- (al) **"wheeling"** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under Section 62 of the Act;

## **PART - II GENERAL CONDITIONS**

### **3. PERIOD OF THE LICENCE**

The transmission licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the Regulation 20 or under Section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

### **4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

(1) The transmission licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time and all other applicable laws.

(2) The transmission licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.



(3) Non compliance of provisions of the Act, Rules, Regulations and Codes will be dealt with in accordance with Regulations 35 and 36 of these Regulations.

## **5. DUTIES OF THE TRANSMISSION LICENSEE**

(1) The transmission licensee shall duly discharge the duties of the transmission licensee as provided under Section 40 of the Act.

(2) The transmission licensee shall provide non discriminatory Open Access to the transmission system for use of the licensees, and generating companies including the captive generating plants and the consumer subject to availability of transmission capacity in the transmission lines and in the case of use of such transmission system for supply of electricity to consumer subject to payment of surcharge to meet the current level of cross subsidy as envisaged in Section 40 read with sub-section (2) of Section 42 of the Act.

(3) The transmission licensee owning or operating intervening facilities shall, under the orders of the Commission, provide such facilities to the extent of surplus capacity available, in his transmission system and in the event of any dispute as to the availability of the surplus capacity the Commission shall determine the same. The charges and terms and conditions for the intervening facilities may be mutually agreed between the licensees and in the event of any disagreement the same shall be decided by the Commission.

(4) The transmission licensee shall not, without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee within the State, or

(b) merge his utility with the utility of any other licensee within the State, or

(c) assign his licence or transfer his utility or part thereof to any person, by sale, lease, exchange or otherwise.

(5) The transmission licensee shall, before obtaining the approval, give not less than one month's notice to every other licensee(s) who transmits or distributes electricity in the area of such licensee who applies for such approval.

*Any agreement relating to the above transaction without approval of the Commission shall be void.*

(6) The transmission licensee shall not engage in the business of electricity trading.

(7) In the event the transmission licensee engages in any other business for optimum utilisation of his assets, he shall ensure that:—

- (a) due intimation to the Commission, about the other business the licensee is proposes to engage is given;
- (b) the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner by reason of the other business;
- (c) at least 50% of its profits earned out of such other business, shall be utilized for reducing the charges for transmission and wheeling;
- (d) separate accounting records as would be required to be kept in respect of such activities are prepared and kept as if they were carried on by a separate entity, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such other business activities are separately identifiable from those of the licensed business;
- (e) the licensed business does not subsidize in any way such other business nor creates encumbrance on its transmission assets in any way to support such other business; and
- (f) the transmission licensee shall be entitled to give equipments/ materials in its possession on hire or lease provided such arrangement results in optimum utilisation and gainful employment of its assets, provided the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner. The transmission licensee shall be entitled to sell or dispose off scrap/ unserviceable/ obsolete material/ equipments. The earnings from such activities shall be recognised in the annual revenue requirement petition to be filed by the licensee to the Commission.

(8) The transmission licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the licensed business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

(9) The transmission licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to him in connection with the licensed business, subject to the following conditions that:—

- (a) such subsidiaries or holding company does not engage in any business activities which the licensee is prohibited from doing or which the licensee is not entitled to engage in without the prior approval of the Commission.
- (b) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;
- (c) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to licensed business; and
- (d) the transmission licensee will give fifteen days' notice with details of such arrangement, to the Commission prior to commencement of the such arrangement.

(10) The transmission licensee may establish subsidiaries or associated companies to conduct or carry out any of the functions, which the licensee is authorised, to conduct or carry out under the Act and this licence. Provided always that:

- (a) any such subsidiary or associated company shall operate under the overall supervision and control of the licensee and upon the terms and conditions of this licence; and
- (b) the licensee shall have, prior to delegating any function to any such subsidiary or associated company, intimate the Commission, subject to such conditions as the Commission may stipulate.
- (c) the licensee shall also be responsible for all actions of the subsidiaries or associated companies and the Commission may require the licensee to terminate the arrangements in case the performance is not to its satisfaction.

Where such prior approval is required, the licensee will file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty days of such further information being submitted by the licensee, and where no such further investigation is required, generally within sixty days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

## 6. ACCOUNTS

(1) Unless otherwise permitted by the Commission the financial year of the licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The transmission licensee shall, in respect of the licensed business and any other business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the licensed business are separately identifiable in the books of the licensee, from those of other business in which the licensee may be engaged;

(b) prepare on a consistent basis from such accounting records and deliver to the Commission.—

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner prescribed by the Commission;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the licensee and the licensee shall render all necessary assistance to such person.

(4) The transmission licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956 or the respective Acts under which the licensee is governed, the accounting standards or rules and any guidelines issued by the Commission in this regard.

(5) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if requested by the Commission. (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(6) Accounting statements under clause (2) shall, unless otherwise approved or directed by the Commission shall:

- (a) be prepared and published with the annual accounts of the licensee, in the manner provided herein;
- (b) state the accounting policies adopted;
- (c) be prepared in accordance with generally accepted Indian accounting standards; and
- (d) be prepared in the form as the Commission may stipulate from time to time.

(7) References to costs or liabilities which are reasonably attributable to licensed business or other business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.

## **7. PROVISION OF INFORMATION TO THE COMMISSION**

(1) The transmission licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the Central Commission and/or the Central Electricity Authority.

(2) The transmission licensee on occurrence of any major incident shall notify the Commission about such occurrence as directed to under the Tamil Nadu Electricity Grid Code and Tamil Nadu Electricity Distribution Code.

(3) The transmission licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its transmission business and any other matter concerning the transmission business that the Commission considers necessary in the public interest.

(4) The transmission licensee shall duly inform the Commission about any incident restricting it from meeting its obligation under the licence granted including any Act of omission or commission by others and steps taken by the Licensee to mitigate the effect of such incident.

(5) The Commission may at any time require the licensee to comply with the provisions of clauses (2) to (4) as to incidents which the Commission may specifically direct and the licensee shall be obliged to comply with the same notwithstanding that such incidents are not major incidents; provided that the time limits specified in clause (2) shall commence from the date that the Commission notifies licensee of such requirement.

(6) The transmission licensee shall submit a business plan, as required under the TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005, within three months of this licence coming into force and shall update such plan annually.

(7) The Commission may require the licensee to intimate by the end of first quarter of each financial year the progress made in implementing the business plan of the previous financial year with the comparison of actual implementation vis-à-vis the plan as approved by the Commission.

## **8. CAPITAL INVESTMENT PLAN**

The licensee shall comply with the provisions relating to Capital Investment Plan as detailed in TNERC (Terms and Conditions for determination of tariff) Regulations – 2005.

## **9. PAYMENT OF LICENCE FEES**

(1) Within 30 days or such further period as the Commission may allow after the coming into force of this licence, the licensee shall pay to the Commission <sup>1</sup>[a licence fee as specified in Regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004], on a prorata basis for the balance period of the year in quarterly instalments as stated in sub-clause (2) below.

(2) For the subsequent financial year(s), for as long as this licence remains in force, the licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission <sup>2</sup>[an annual fee as specified in Regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004.]

<sup>1</sup>Substituted for the expression "a fee as may be stipulated by the Commission" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16.11.2006 (w.e.f. 3.1.2007)

<sup>2</sup>Substituted for the expression "an annual licence fee as may be specified by the Commission" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16.11.2006 (w.e.f. 3.1.2007)

(3) The Commission may, from time to time, revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by the licensee on/ or before the start of each financial year.

(4) Where the transmission licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:—

(a) without prejudice to other obligations, the licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the licensee, the Commission may revoke this licence pursuant to Section 19 of the Act and Regulation 20 of these regulations.

(5) The transmission licensee shall be entitled to take into account any fee paid by it under this condition 9 as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any interest paid pursuant to this clause.

#### **10. AMENDMENT OF LICENCE CONDITIONS**

(1) Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under Section 18 of the Act. The following provisions shall have effect for any alterations or amendments:—

(a) Where the licensee has made an application under sub-section (1) Section 18, of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9, (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

(c) the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

#### **11. SETTLEMENT OF DISPUTES**

The provisions contained in Regulations 21 to 24 of these regulations, shall apply to any dispute between the transmission licensee and any generating company and such disputes shall be settled in accordance with the provisions contained in the said regulations.

#### **12. TRANSMISSION PLANNING AND SECURITY STANDARDS AND TRANSMISSION OPERATING STANDARDS**

The licensee shall comply with the provisions of Tamil Nadu Electricity Grid Code specified under clause (h) of sub-section (1) of Section 86 of the Act.

#### **13. COMPLIANCE WITH THE GRID CODE BY THE TRANSMISSION LICENSEE**

(1) The transmission licensee shall ensure due compliance with the Indian Electricity Grid Code and Tamil Nadu Electricity Grid Code.

(2) The Commission may, on reasonable grounds and after consultation with any affected Generating Company, the transmission licensee, the State Transmission Utility, the State Load Despatch Centre and electricity traders, issue directions relieving the licensee of its obligation in respect of such parts of the State Grid Code and to such extent as may be decided by the Commission.

#### **14. CONNECTION AND USE OF SYSTEM**

The transmission licensee shall comply with the provisions of the Act and the regulations made thereunder by the Commission in regard to non- discriminatory open access to the use of his transmission system by the users.

## 15. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person, who is a deemed licensee under Section 14 of the Act.

### SCHEDULE 1

#### Licensed Activity

The following transmission systems and transmission corridor as detailed below, in the State of Tamil Nadu, including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the Electricity Act. 2003 and subject to the conditions of licence agreed upon.

.....

.....

.....

(By order of the Commission)

Chennai  
Dated .....

Sd/-  
Secretary/TNERC.

## Annexure 7

### FORM No.6: FORMAT AND CONDITIONS OF DISTRIBUTION LICENCE

#### Licence granted for Distribution of electricity

[See Regulations 15(3)]

Licence granted by the Tamil Nadu Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to \_\_\_\_\_, for carrying on the business of distribution of electrical energy within the area of activity (as specified under 'licensed area of distribution licensee' in the schedule) and shall be subject to the terms and conditions specified herein. The licence shall come into force from.....

#### PART - I

##### DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act, 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires, in these General conditions:

(a) **"accounting statement"** means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (Act 1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the licensee engages in any other business or activity in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of distribution licensees and show the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:—

(i) charged from the licensed business to any other business or *vice versa* together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation. However, The Tamil Nadu Electricity Board, which is a deemed licensee under proviso to Section 14 of the Act shall continue to maintain the accounts in accordance with Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified or such deemed licensees are reorganised under Section 131 of the Act,

(b) **"Act"** means the Electricity Act, 2003 (Act 36 of 2003);

(c) **"annual accounts"** means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 (Act 1 of 1956) and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

(d) **"area of activity"** or **"area of distribution"** or **"area of supply"** means the area stated in the schedule to the licence within which the licensee is authorised to establish, operate and maintain distribution lines and to distribute and supply electricity;

(e) **"Auditors"** means the licensee's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619, of the Companies Act 1956 (Act 1 of 1956) as the case may be;

(f) **"authorised"**, in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth provisos to Section 14 of the Act;

(g) **"Commission"** means the Tamil Nadu Electricity Regulatory Commission;

(h) **"distribution"** means the conveyance of electricity by means of a distribution system;

(i) **"distribution business"** means authorised business of the licensee to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(j) **"distribution licensee"** means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(k) **"distribution system"** means the system of wires and associated facilities between delivery points on the transmission lines or the generating station connections and the point of connection to the installation of the consumers;

- (l) **“distribution system operating standards”** means the standards as specified by the Commission in the Tamil Nadu Electricity Regulatory Commission Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004 and the Tamilnadu Electricity Grid code.
- (m) **“franchisee”** means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply;
- (n) **“Force Majeure”** means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (o) **“generating station”** means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switchyard, cables or other appurtenant equipments, if any used for that purpose and the site thereof; the site intended to be used for a Generating Station, and any building used for housing the operating staff of a Generating Station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub- station;
- (p) **“holding company”** shall have the same meaning as assigned to it under the Companies Act, 1956 (Act 1 of 1956);
- (q) **“licence”** means the distribution licence under Section 14 of the Act under which the licensee is authorised to conduct the licensed business;
- (r) **“licensee”** means any person, who has been granted this licence under Section 14 of the Act;
- (s) **“licensed business”** means the business of distribution of electricity in the area of activity as authorised under this licence;
- (t) **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (u) **“operational control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipments;
- (v) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;
- (w) **“person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (x) **“subsidiary”** shall have the same meaning as in Section 4 of the Companies Act, 1956 (Act, 1 of 1956);
- (y) **“sub-station”** means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cables and other appurtenant equipments and any buildings used for that purpose and the site thereof;
- (z) **“supply”** in relation to electricity means the sale of electricity to a licensee or consumer;
- (aa) **“Tamil Nadu Electricity Distribution Code”** means the Code published by the Commission under Sections 46 and 86 of Act;
- (ab) **“Tamil Nadu Electricity Supply Code”** means the Code published by the Commission under Section 50 of the Act;
- (ac) **“trader”** means a person who has been granted a licence to undertake trading in electricity under Section 14 of the Act;
- (ad) **“trading”** means the purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (ae) **“trading business”** means the authorised business of the trading licensee in the licensed area of activity;
- (af) **“trading licensee”** means the person who is authorised to undertake trading and shall include deemed licensee who is so authorised under Section 14 of the Act;

- (ag) **“transfer”** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ah) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;
- (ai) **“transmission lines”** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (aj) **“transmission system”** means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (ak) **“use of system”** means use of the distribution system for the transportation and wheeling of electricity for any person pursuant to a contract entered into with the distribution licensee.
- (al) **“users”** means anyone who uses the distribution system.
- (am) **“wheeling”** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges stipulated by the Commission under the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for the Determination of Tariff) Regulations, 2005;



**PART - II GENERAL  
CONDITIONS**

**3. TERM OF THE LICENCE**

The distribution licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the provisions of Regulation 20 of these regulations or under Section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

**4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

(1) The distribution licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time.

(2) The distribution licensee shall act in accordance with this General Conditions except where the licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically permitted by the Commission for any deviation therefrom.

(3) The distribution licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

**5. DUTIES OF THE DISTRIBUTION LICENSEE**

(1) The distribution licensee shall duly discharge the duties of the distribution licensee as provided under Section 42 and 43 of the Act.

(2) The distribution licensee shall develop and maintain an efficient, co-ordinated and economical distribution system in the area of distribution and effect supply of electricity to Consumers in such area of distribution in accordance with the provisions of the Act, rules, regulations, orders and directions of the Commission.

(3) The distribution licensee shall be entitled to:—

(a) purchase, import or otherwise acquire electricity from generating company, trader and from such other sources and persons with whom the distribution licensee has agreements or arrangements of power purchase or procurement of energy in accordance with the terms and conditions of such agreement and arrangement as consented to or approved by the Commission;

(b) purchase or acquire electricity from any person whose generating unit existing as on date of the grant of the distribution licence, is directly connected to and interfaced with the distribution system of the licensee, provided that the licensee shall intimate the Commission of the existing arrangements for such purchase or acquisition of electrical energy and obtain the general or special approval of the Commission;

(c) purchase from renewable sources connected to its distribution system in such quantum as may be stipulated by the Commission under Section 86 (1) (e) of the Act.

(d) purchase or otherwise acquire electricity from any person or licensee on the tariffs and terms and conditions as approved by the Commission;

(e) undertake trading in electricity in its area of distribution without the need for a separate trading licence;

(f) sell electricity or energy capacity contracted for such period and to such extent of electricity or capacity is not required by the distribution licensee for the discharge of his obligations to supply electricity in his area of supply.

(g) supply to such persons situated within its area of supply and requiring supply of electricity from a generating company or any licensee other than the distribution licensee in accordance with regulations made by the Commission. The licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access.

(4) The distribution licensee shall not, without the general or special approval of the Commission:—

(a) Sell or supply electricity to any person, other than pursuant only in accordance with this licence, and on the tariffs and terms and conditions as approved by the Commission; or

(b) provide wheeling services to third parties for transportation of electricity through the licensee's distribution system in accordance with the regulations made by the Commission; and where the Commission permits a consumer or class of consumers to receive electricity supply from a person other than the licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling as may be stipulated by the Commission in the open access regulation; or

(c) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee within the State; or

(d) merge his utility with the utility of any other licensee or his own elsewhere within the State; or

(e) assign his licence or transfer his utility or part thereof to any person by sale, lease, exchange or otherwise.

(5) Save as in the case of the consumers of the distribution licensee and persons authorised by the Commission, the licensee shall not commence any new provision of services to any other licensee or person not authorised by the Commission for the conveyance of electricity through its distribution system, without informing the Commission seven days prior to the commencement of such arrangement. In circumstances requiring immediate remedial action in the interest of continuity of supply to the persons other than the consumers, the licensee may commence the activity referred to in this clause, provided that the licensee will inform the Commission of such occurrence or circumstances within seven days thereof.

(6) The distribution licensee shall purchase the energy required for meeting its obligation under its licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the regulations, guidelines, directions made by the Commission from time to time. In case of a shortage of electricity supply, the Commission may fix the maximum and minimum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and the licensee or between licensees for a period not exceeding one year to ensure reasonable prices of electricity for transmission, wheeling and retail sale of electricity.

(7) In the event the distribution licensee engages in any other business the same shall be subject to the following conditions:—

(a) due intimation to the Commission, about the other business the licensee is proposing to engage;

(b) the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner by reason of the other business;

(c) at least 50% of its profits earned out of such other business, shall be utilized for reducing the charges for wheeling;

(d) the distribution licensee shall prepare and keep, in respect of the other business activities, separate accounting records as would be required to be kept in respect of such activities as if they were carried on by a separate entity, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such other business activities are separately identifiable from those of the licensed business;

(e) the licensed business does not subsidize in any way such other business nor creates encumbrance on its distribution assets in any way to support such other business; and

(f) the distribution licensee shall be entitled to give equipments/ materials in its possession on hire or lease provided such arrangement results in optimum utilisation and gainful employment of its assets, provided the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner. The licensee shall be entitled to sell or dispose off scrap/ unserviceable/ obsolete materials/ equipments. The earnings from such activities shall be recognised in the annual revenue requirement petition to be filed by the licensee to the Commission.

(8) The distribution licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the licensed business. The loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

(9) The distribution licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the licensee in connection with the licensed business, subject to the following conditions that:

(a) such subsidiaries or holding company does not engage in any business activities which the distribution licensee is prohibited from doing or which such licensee is not entitled to engage in without the prior approval of the Commission.

(b) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;

(c) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to licensed business; and

(d) the distribution licensee will give fifteen days' notice with details of such arrangements to the Commission prior to commencement of the such arrangement.

(10) The distribution licensee may establish subsidiaries or associated companies or grant a franchisee or enter into management contracts including appointment of billing agent to conduct or carry out any of the functions, which such licensee is authorised to conduct or carry out under the Act and this licence.

Provided always that:

(a) any such subsidiary or associated company or franchisees or contractors or agents shall operate under the overall supervision and control of the licensee and upon the terms and conditions of this licence; and

(b) the licensee shall have, prior to delegating any function to any such subsidiary or associated company or franchisees or contractor, intimate the Commission for transactions of value of greater than Rs. one crore, subject to such conditions as the Commission may stipulate.

(c) The distribution licensee shall also be responsible for all actions of the subsidiaries or associated companies or franchisees or agents or contractors and the Commission may require the licensee to terminate the arrangements in case the performance is not to its satisfaction.

(11) Where such prior approval is required, the distribution licensee shall file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty days of such further information being submitted by such licensee, and where no such further investigation is required, generally within sixty days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

(12) The distribution licensee shall provide open access to the distribution system for use of the distribution licensees and generating company including the captive generating plant and the consumer subject to operational constraints in the distribution system and subject to payment by the user all applicable tariffs and charges as determined or directed to be charged by any general or special order of the Commission.

## **6. ACCOUNTS**

(1) Unless otherwise permitted by the Commission the financial year of the distribution licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The distribution licensee shall, in respect of the licensed business and any other business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the licensed business are separately identifiable in the books of the licensee, from those of other business in which the licensee may be engaged;

(b) prepare on a consistent basis from such accounting records and deliver to the Commission

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner the Commission may direct from time to time;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion, these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the distribution licensee and such licensee shall render all necessary assistance to such person.

(4) The distribution licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956 (Act 1 of 1956) or the respective Acts under which the licensee is governed, the accounting standards or rules and any guidelines issued by the Commission in this regard.

(5) Where, in relation to the accounting statements in respect of a financial year, the Licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the licensee shall, if requested by the Commission (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(6) Accounting statements under sub-clause (2) shall, unless or otherwise approved or directed by the Commission:

(a) be prepared and published with the annual accounts of the distribution licensee, in the manner provided herein;

(b) state the accounting policies adopted;

(c) be prepared in accordance with generally accepted Indian accounting standards; and

(d) be prepared in the form as the Commission may stipulate from time to time;

(7) The references to costs or liabilities of, or reasonably attributable to licensed business or other business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.

(8) The distribution licensee shall ensure that the accounting statements in respect of each financial year prepared under clause (2) and the auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

(9) The Commission may, from such time it considers appropriate, require the licensee to comply with the provisions of clause (1) to (8) above treating the distribution and supply activities of the licensee as separate and distinct businesses and shall comply with any guidelines issued by the Commission in this regard. In order to meet the requirement of open access, the accounting statements should be maintained separately for capital expenditure of the distribution activity and supply activity while for the purposes of revenue expenditure, the segregation of common services may be done by suitably allocating the same.

## **7. PROVISION OF INFORMATION TO THE COMMISSION**

(1) The distribution licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee engaged for optimum utilisation of the assets of the licensed business, as the Commission may require from time to time for its own purposes or for the purposes of the Government of India, State Government, the Central Commission, and/or the Central Electricity Authority, the State Transmission Utility and State Load Dispatch Centre.

(2) The distribution licensee shall furnish information on standards of performance in accordance with regulation 24 of Tamil Nadu Electricity Distribution Standards of Performance Regulations 2004.

(3) The distribution licensee on occurrence of any major incident shall notify the Commission about such occurrence as directed to under the Tamil Nadu Electricity Distribution Code.

(4) The distribution licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its distribution business and any other matter concerning the distribution business that the Commission considers necessary in the public interest.

(5) The distribution licensee shall duly inform the Commission about any incident restricting it from meeting its obligations under its licence including any act of omission or commission by others and steps taken by the licensee to mitigate the effect of such incident.

(6) The Commission may at any time require the licensee to comply with the provisions of clauses (3) to (5) as to incidents which the Commission may specifically direct and the licensee shall be obliged to comply with the same notwithstanding that such incidents are not major incidents; provided that the time limits specified in clause (3) shall commence from the date that the Commission notifies licensee of such requirement.

(7) The distribution licensee shall submit a business plan, as required under the TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005, within three months of this licence coming into force and shall update such plan annually.

(8) The Commission may require the licensee to intimate by the end of first quarter of each financial year the progress made in implementing the business plan of the previous financial year with the comparison of actual implementation vis-à-vis the plan as approved by the Commission.

## **8. CAPITAL INVESTMENT PLAN**

The licensee shall comply with the provisions relating to Capital Investment Plan as detailed in TNERC (Terms and Conditions for Determination of Tariff) Regulations – 2005.

## **9. PAYMENT OF LICENCE FEES**

(1) Within thirty days or such further period as the Commission may allow after the date of commencement of the licence, the licensee shall pay to the Commission <sup>1</sup>[a fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004], on a prorata basis for the balance period of the year in quarterly instalments as specified in sub-clause (2).

(2) For the subsequent financial year(s), for as long as this Licence remains in force, the Licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission <sup>2</sup>[an annual fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004.]

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<sup>1</sup>Substituted for the expression “a fee as may be determined by the Commission” as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006 (w.e.f. 3-1-2007)

<sup>2</sup>Substituted for the expression “an annual licence fee as specified by the regulation” as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006 (w.e.f. 3-1-2007)

(3) The Commission may, from time to time revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by such licensee on/or before the start of each financial year.

(4) Where the distribution licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:

(a) without prejudice to other obligations, the distribution licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the distribution licensee, the Commission may revoke this licence pursuant to section 19 of the Act and regulation 20 of these regulations.

(5) The distribution licensee shall be entitled to take into account any fee paid by it under this clause as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any interest paid pursuant to this clause.

## **10. AMENDMENT OF LICENCE CONDITIONS**

Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under section 18 of the Act. The following provisions shall have effect for any alterations or amendments:

(a) where the licensee has made an application under sub-section (1) of section 18 of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9 (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

## **11. SETTLEMENT OF DISPUTES**

The provisions contained in regulations 21 to 24 of these regulations, shall apply to any dispute between the distribution licensee and any generating company and such disputes shall be settled in accordance with the provisions contained in the said regulations.

## **12. SUSPENSION OF DISTRIBUTION LICENCE**

**The provisions relating to suspension of the distribution Licence and sale of utility as stipulated in section 24 of the Act is applicable and are reproduced below:**

(1) "If at any time the Appropriate Commission is of the opinion that a distribution licensee-

(a) has persistently failed to maintain uninterrupted supply of electricity conforming to standards regarding quality of electricity to the consumers; or

(b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of this Act; or

(c) has persistently defaulted in complying with any direction given by the Appropriate Commission under this Act; or

(d) has broken the terms and conditions of licence,

and circumstances exist which render it necessary for it in public interest so to do, the Appropriate Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the licence of the distribution licensee and appoint an Administrator to discharge the functions of the distribution licensee in accordance with the terms and conditions of the licence:

Provided that before suspending a licence under this section, the Appropriate Commission shall give a reasonable opportunity to the distribution licensee to make representations against the proposed suspension of licence and shall consider the representations, if any, of the distribution licensee.

(2) Upon suspension of licence under sub-section (1), the utilities of the distribution licensee shall vest in the Administrator for a period not exceeding one year or up to the date on which such utility is sold in accordance with the provisions contained in section 20, whichever is later.

(3) The Appropriate Commission shall, within one year of appointment of the Administrator under sub-section (1), either revoke the licence in accordance with the provisions contained in section 19 or revoke suspension of the licence and restore the utility to the distribution licensee whose licence had been suspended, as the case may be.

(4) In a case where the Appropriate Commission revokes the licence under sub-section (3), the utility of the distribution licensee shall be sold within a period of one year from the date of revocation of the licence in accordance with the provisions of section 20 and the price after deducting the administrative and other expenses on sale of utilities be remitted to the distribution licensee."

### **13. COMPLIANCE WITH THE GRID CODE BY THE DISTRIBUTION LICENSEE**

The distribution licensee shall ensure due compliance with the Tamil Nadu Electricity Grid Code specified by the Commission under clause (h) sub-section (1) of section 86.

### **14. COMPLIANCE WITH THE ELECTRICITY SUPPLY CODE AND DISTRIBUTION CODE BY THE DISTRIBUTION LICENSEE**

The distribution licensee shall ensure due compliance with the Tamil Nadu Electricity Supply Code and the Tamil Nadu Electricity Distribution Code as in force for the time being.

### **15. CONSUMER SERVICE**

(1) The distribution licensee shall duly comply with the regulations specified by the Commission from time to time in regard to consumer services including the terms and conditions relating to consumer services contained in the Tamil Nadu Electricity Supply Code and Tamil Nadu Electricity Distribution Code and Tamil Nadu Electricity Distribution standards of performance regulations.

#### **(2) *Payment of Bills***

The procedures regarding billing and payment of electricity charges outlined in Tamil Nadu Electricity Supply Code shall be followed both by the licensees and the consumers.

#### **(3) *Complaint Handling Procedure***

The distribution licensee shall establish a forum for redressal of grievances of the consumers in accordance with the Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman, 2004, as specified by the Commission.

#### **(4) *Consumer Rights Statement***

(a) The distribution licensee shall, within a reasonable period of time as specified by the Commission after the commencement of the licence or such other time as the Commission may allow, prepare and submit to the Commission for approval, a consumer rights statement, explaining to consumers their rights as Consumers serviced by such licensee. The Commission may, upon holding such consultation with the TNERC State Advisory Committee, and such other persons or bodies of persons who the Commission considers as representing the interests of consumers likely to be affected by it, make such modification of the statement, as it considers necessary in public interest.

(b) The Commission may, upon receiving a representation or otherwise, require such licensee to review the consumer rights statement prepared and the manner in which it has been implemented with a view to determining whether any modification should be made to it or to the manner of its implementation.

(c) The distribution licensee shall submit any revision to the consumer rights statement that it wishes to make to the Commission for its approval, including any representation received by such licensee and not accepted by it. The Commission may modify the existing consumer rights statement, as it considers necessary.

(d) The distribution licensee shall:

(i) draw to the attention of consumers, in such manner as the Commission may direct, the existence of its consumer rights statement and each substantive revision of it and how they may inspect or obtain a copy of such consumer rights statement in its latest form.

(ii) make a copy of its consumer rights statement, revised from time to time, available for inspection by members of the public at its offices during normal working hours; and

(iii) provide to all new consumers to be served by it, and to any other person who requests, a copy of the consumer rights statement, revised from time to time, at a price not exceeding the reasonable cost of duplicating it.

(5) The distribution licensee shall duly comply with the standards as the Commission may specify from time to time, in performing its duties under the Act.

## **16. DISTRIBUTION SYSTEM PLANNING AND SECURITY STANDARDS, DISTRIBUTION SYSTEM OPERATING STANDARDS**

The Distribution licensee shall comply with the provisions outlined in Chapter 3 and 5 of the Tamil Nadu Electricity Distribution Code.

## **17. DUTY TO SUPPLY**

The Distribution licensee shall comply with the provisions outlined in Regulation 27 of the Tamil Nadu Electricity Distribution Code.

## **18. POWERS TO RECOVER EXPENDITURE, RECOVER SECURITY**

The Distribution licensee shall comply with the provisions outlined in Chapter 7 of the Tamil Nadu Electricity Distribution Code.

## **19. USE OF METERS**

The distribution licensee shall comply with the requirements of the Act and the regulations, directions and orders of the Commission in regard to supply of electricity through meter as published in Regulation 7 of the Tamil Nadu Electricity Supply Code.

## **20. PROVISION OF SUBSIDIES TO CERTAIN CONSUMERS**

The distribution licensee shall be guided by the provisions as per TNERC (Terms and Conditions for Determination of Tariff) Regulations, 2005.

## **21. POWERS OF THE LICENSEE FOR REVENUE REALISATION, PREVENTION OF METER TAMPERING, Etc.**

The distribution licensee shall act as per the provisions in Chapters 2 and 4 of the Tamil Nadu Electricity Supply Code.

## **22. POWER TO ENTER PREMISES AND TO REMOVE FITTINGS OR OTHER APPARATUS OF LICENSEE**

The distribution licensee shall act as per the provisions of Regulation 25 of the Tamil Nadu Electricity Supply Code.

## **23. THEFT OF ELECTRICITY, LINES, MATERIALS, INTERFERENCE WITH WORKS, Etc.**

The distribution licensee shall act as per the provisions in Regulation 25 (B) of the Tamil Nadu Electricity Supply Code.

## **24. DISCONNECTIONS AND OTHER ACTIONS**

The distribution licensee shall act as per the provisions of Regulation 21 of the Tamil Nadu Electricity Supply Code.

## **25. INTRODUCTION OF COMPETITION IN SUPPLY**

(1) In accordance with section 14 of the Act, the Commission may, grant licence to two or more persons for distribution of electricity through their own distribution system within the same area of supply subject to the condition that the applicant meets the eligibility norms as specified by the Central Government pursuant to under clause (b) of sub-section (2) of section 176 of the Act. And no applicant who complies with all the requirements for grant of licence shall be refused licence on the ground that there already exists a licensee in the same area for the same purpose.

(2) As and when permitted by the Commission a consumer or a class of consumers can avail electricity from a person other than the licensee of his area of supply. In such a case the duties of the licensee shall be that of a "common carrier" providing non-discriminatory open access and the charges payable will be, determined by the Commission.

(3) The Commission may, fix only the maximum ceiling of tariff for retail sale of electricity in an area of supply having two or more distribution licensees.

## 26. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person who is a deemed licensee under section 14 of the Act.

### SCHEDULE 1

#### Licensed Area of Distribution Licensee

The distribution system detailed below, covering the following circles/districts/geographical area in the state of Tamil Nadu, including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the provisions of the Electricity Act, 2003.

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.....

.....

(By Order of the Commission)

Chennai  
Dated

Sd/-  
Secretary/TNERC.

### Annexure 8

#### FORM No. 7: FORMAT AND CONDITIONS OF LICENCE OF AN ELECTRICITY TRADER

##### Licence granted for Trading in electricity

[See Regulations 15(4)]

The Tamil Nadu Electricity Regulatory Commission (hereinafter referred to as "the Commission"), in exercise of the powers conferred under section 14 of the Electricity Act, 2003 (Act 36 of 2003, hereinafter referred to as "the Act"), hereby grants this licence as a Category \_\_\_\_\_ trader to \_\_\_\_\_, (hereinafter referred to as "the licensee") to trade in electricity as an electricity trader in the area subject to the terms and conditions contained in the Act, (in particular, Sections 17 to 22 thereof, both inclusive), the rules made by the Central Government (hereinafter referred to as "the Rules") and the regulations specified by the Commission (hereinafter referred to as "the Regulations"), including statutory amendments, alterations, modifications, re-enactments thereof, which shall be read as part and parcel of this licence. The licence shall come into effect from .....

#### PART - I

##### DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires:

(a) "accounting statement" means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the trading licensee engages in any business or activity in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of trading licensees and show specifically the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:

(i) charged from the licensed business to any other business or vice versa together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation.



- (b) “**Act**” means the Electricity Act, 2003 (Act 36 of 2003)
- (c) “**agreement**” means agreement entered into by the electricity trader with the seller of electricity, buyer of electricity, other licensees, State Load Despatch Centre, consumer etc. that enables the trading transactions;
- (d) “**annual accounts**” means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;
- (e) “**area of activity**” means the area of activity stated in the trading licence within which the licensee is authorised to trade;
- (f) “**auditors**” means the licensee’s auditors holding office in accordance with the requirements of sections 224 to 234A or section 619 as appropriate, of the Companies Act 1956 (1 of 1956);
- (g) “**authorised**”, in relation to any person, business or activity, means authorised by licence granted under section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to section 14 of the Act or exemption granted under section 13 of the Act and the regulations of the Commission;
- (h) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission;
- (i) “**Conduct of Business Regulations**” means the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004, for the time being in force;
- (j) “**customer**” means any buyer purchasing electricity from the trader, viz. distribution licensee, any other trading licensee and any customer that the licensee gets into a sale agreement with.
- (k) “**Force Majeure**” means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (l) “**licence**” means a licence granted under section 14 of the Act;
- (m) “**licensee**” means a person who has been granted a licence under section 14 of the Act;
- (n) “**licensed business**” means the business of trading of electricity in the area of activity as authorised under the licence;
- (o) “**open access**” means the non-discriminatory provision for the use of transmission lines or distribution lines or transmission systems or distribution systems or associated facilities with such lines or systems by any licensee or customer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (p) “**person**” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (q) “**regulations**” means the regulations made by the Commission, under the provisions of the Act;
- (r) “**State**” means the State of Tamil Nadu;
- (s) “**State Government**” means the Government of the State of Tamil Nadu;
- (t) “**subsidiary**” shall have the same meaning as in section 4 of the Companies Act 1956 (1 of 1956);
- (u) “**supply**” in relation to electricity means the sale of electricity to a licensee or consumer;
- (v) “**Tamil Nadu Electricity Distribution Code**” means the Code published by the Commission under sections 46 and 86 of the Act;
- (w) “**Tamil Nadu Electricity Supply Code**” means the Code published by the Commission under section 50 of the Act;
- (x) “**trader**” means a person who has been granted a licence or deemed to be a licensee to undertake trading in electricity under section 14 of the Act;
- (y) “**trading**” means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (z) “**trading business**” means the authorised business of the trading licensee in the area of supply;
- (aa) “**transfer**” shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ab) “**transmit**” means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;

(ac) “**transmission licensee**” means a licensee authorised to establish or operate transmission lines;

(ad) “**transmission system**” means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system.

## **PART - II**

### **GENERAL CONDITIONS**

#### **3. PERIOD & TRANSFERABILITY OF THE LICENCE**

(1) The trading licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the regulation 20 of these regulations or under section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

(2) This trading licence is not transferable, except in accordance with the provisions of the Act, the rules and the regulations.

#### **4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

(1) The trading licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time.

(2) The trading licensee shall act in accordance with this General Conditions except where the licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically permitted by the Commission for any deviation therefrom.

(3) The trading licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

#### **5. DUTIES OF THE TRADING LICENSEE**

(1) The trading licensee may engage in the business of trading in electricity in the State provided that any such sale or supply of electricity to customer subject to the trade margin that may be fixed by the Commission from time to time.

(2) The trading licensee shall have in place all agreements, including the billing and settlement agreement, for the purchase, sale and supply of electricity and all necessary authorisations as required by it to be able to perform its obligations under such agreements.

(3) The trading licensee shall not without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee in its area of activity; or

(b) acquire any beneficial interest in any generating company or generating station or distribution licensee or any other trading licensee; or

(c) merge its utility with any other licensee within the State; or

(d) assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise;

Any agreement relating to any transaction referred to in sub-clause (a) to sub-clause (d) unless made with the approval of the Commission, shall be void.

(4) To obtain the approval of the Commission as aforesaid, the licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf and the Commission shall dispose such application expeditiously.

(5) The grant of this trading licence to the licensee shall not in any way hinder or restrict the right of the Commission to grant a licence to any other person within the same area for trading in electricity as an electricity trader. The trading licensee shall not claim any exclusivity.

(6) The trading licensee shall carry out trade by entering into appropriate contracts. Necessary safeguards with regard to supply of electricity through trading, or payment for the electricity traded shall be included in the agreements between the parties. All trading arrangements shall be done through the letters of credit or with any other superior instrument.

(7) If the contract of the trading licensee with its customer is for a fixed term, then prior to the expiry of such fixed term, the licensee shall inform the customer as to when the term expires and the tariffs and terms and conditions applicable to the customer beyond the expiry of the contract, if the arrangement is continued.

(8) The trading licensee shall comply with the requirements of laws in force and, in particular, the provisions of the Act, the rules and the regulations, Tamil Nadu Electricity Grid Code, Tamil Nadu Electricity Distribution Code, Tamil Nadu Electricity Supply Code, other codes, orders and directions issued by the Commission from time to time.

(9) The trading licensee shall maintain an up to date register or record of all the business transactions.

(10) The trading licensee shall be governed by the technical requirement, capital adequacy requirement and creditworthiness specified by the Commission in these regulations, for being an electricity trader and shall upgrade these technical and capital adequacy requirements including staff, when the volume of trade increases.

(11) The trading licensee shall increase its network if the quantum of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded cumulated as on 31st March of each year of which the licensee shall keep the Commission informed of his moving from one category to the other and subsequent changes in the network.

(12) The trading licensee shall establish adequate communication facilities like telephone, fax, computer, internet facilities before undertaking the trading.

(13) The trading licensee shall render all assistance to any person authorised by the Commission for carrying out his duties relating to the licence.

<sup>1</sup>[(14) The trading licensee shall pay the licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission Fees and Fines Regulations 2004]

(15) The trading licensee shall purchase the energy required for meeting its obligation under its licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the regulations, guidelines, directions made by the Commission from time to time.

## **6. ACCOUNTS**

(1) Unless otherwise permitted by the Commission the financial year of the trading licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The trading licensee shall, in respect of the licensed business and any other business:

(a) prepare on a consistent basis from such accounting records and deliver to the Commission

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner prescribed by the Commission;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) The trading licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the accounting standards or rules and any guidelines issued by the Commission in this regard.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006** (w.e.f. **3-1-2007**) which before substitution stood as under:

**“(14) The trading licensee shall pay the licence fee specified under these regulations in accordance with the time-schedule specified hereunder.”**

(4) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the licensee shall, if requested by the Commission (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(5) Accounting statements under sub-clause (2) above shall, unless or otherwise approved or directed by the Commission:

- (a) be prepared and published with the annual accounts of the trading licensee, in the manner provided herein;
- (b) state the accounting policies adopted;
- (c) be prepared in accordance with generally accepted Indian accounting standards; and
- (d) be prepared in the form as the Commission may stipulate from time to time;

(6) The references to costs or liabilities of, or reasonably attributable to licensed business or other business shall be construed as excluding taxation and capital liabilities which do not relate principally to such business and interest thereon.

(7) The trading licensee shall ensure that the accounting statements in respect of each financial year prepared under sub-clause (2) and the auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any Person requesting them at a price not exceeding the reasonable cost of duplicating them.

(8) The Commission may, from such time it considers appropriate, require the licensee to comply with the provisions of clause (1) to (7) above treating the trading and other activities of the licensee as separate and distinct businesses and shall comply with any guidelines issued by the Commission in this regard.

(9) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the trading licensee and the licensee shall render all necessary assistance to such person.

## **7. PROVISION OF INFORMATION TO THE COMMISSION**

(1) The trading licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the State Transmission Utility, The State Load Dispatch Centre, the Central Commission and/or the Central Electricity Authority.

(2) The trading licensee shall furnish the information as may be required from time to time to monitor the licensee's performance and compliance of the terms and conditions of the licence and any other legislative or regulatory requirement in the manner required by the Commission.

(3) The trading licensee shall file the annual revenue requirements, at a time as may be directed by the Commission, and in the form and manner specified thereof, to enable the Commission to determine the trading margin, wherever necessary.

(4) The trading licensee shall duly inform the Commission about any incident restricting it from meeting its obligation under the licence granted including any act of omission or commission by others and steps taken by the licensee to mitigate the effect of such incident. The trading licensee shall notify the Commission as soon as possible the occurrence of any other incident which materially affect any part of its trading activities and in any event, by not later than thirty days from the date of such occurrence:

(a) submit a report to the Commission giving full details of the facts within the knowledge of the licensee regarding the incident and its cause; and

(b) give copies of the report to all parties concerned with such incident and to such other persons as the Commission may direct.

(5) The Commission may by order, after providing an opportunity of hearing, direct the trading licensee to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the licensee.

(6) The Commission may at any time require the trading licensee to comply with the provisions of this clause 6 in a manner the Commission may direct and the licensee shall be obliged to comply with the same.

(7) The trading licensee shall submit a business plan in accordance with the provisions of TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005.

## 8. CAPITAL ADEQUACY, CREDIT WORTHINESS NORMS TO BE MAINTAINED

(1) The trading licensee shall duly comply with the regulations, guidelines, directions and orders the Commission may issue from time to time in regard to the technical and financial parameters and norms to be maintained at all times by the trading licensee.

(2) The network at any point of time during the operation of trading shall not reduce below 75% of the minimum requirements specified for the respective category of trader and shall be replenished at the end of every quarter ending March, June, September and December every year to the above specified levels. An audited certificate of compliance would need to be submitted to the Commission for every quarter within a period of 30 days from the end of that quarter.

(3) The trader shall make reasonable endeavours to maintain investment grade credit rating obtained from a leading independent Credit Rating Agency for all debts throughout the period they remain on the books of the trader.

(4) The non-maintenance of the technical and financial parameters as per sub-clause (1) above shall amount to a material breach of the obligations by the licensee;

(5) The trading licensee shall maintain the technical resources as specified in the regulations and provide to the Commission details of any changes justifying the adequacy of its capability to cater to the volume of trade it handles;

(6) If the trading volume of the licensee exceeds its specified maximum volume of trade, then the licensee shall immediately inform the Commission and increase its network as specified in the regulations. In case of non-reporting of such an event the Commission shall levy compensation to the licensee for such negligence and the licence shall be liable for revocation.

(7) The increased network shall remain in force till such time the increased network consistently exceeds the requirement for a particular volume of trade through three consecutive months. On any such consistent reduction in volume of trade, the network requirement may be revised in proportion to the average traded volumes during the three months, specified herein.

## 9. PAYMENT OF LICENCE FEES

(1) Within thirty days or such further period as the Commission may allow after the coming into force of this licence, the licensee shall pay to the Commission <sup>1</sup>[a licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004] , on a prorata basis for the balance period of the year in quarterly instalments as specified in sub-clause (2)

(2) For the subsequent financial year(s), for as long as this licence remains in force, the licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission <sup>2</sup>[an annual licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004]

(3) The Commission may, from time to time revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by the licensee on/or before the start of each financial year.

(4) Where the trading licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:

(a) without prejudice to other obligations, the licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the licensee, the Commission may revoke this licence pursuant to section 19 of the Act and regulation 20 of these regulations.

(5) The trading licensee shall be entitled to take into account any fee paid by it under this clause as an expense in the determination of aggregate revenues, but shall not take into account any interest paid pursuant to this clause.

(6) In case the trading licensee has moved from a lower Category to a higher Category, the balance of licence fee applicable to the licensee for such changed category shall be paid before 30th April of each year.

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<sup>1</sup>Substituted for the expression "a fee as may be specified by the Commission" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1,dated 16-11-2006 (w.e.f. 3-1-2007)

<sup>2</sup>Substituted for the expression "an annual licence fee as specified by the Regulation " as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1,dated 16-11-2006 (w.e.f. 3-1-2007)

## **10. AMENDMENT OF LICENCE CONDITIONS**

Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under section 18 of the Act. The following provisions shall have effect for any alterations or amendments:

(a) where the licensee has made an application under sub-section (1) of section 18, of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9 (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

## **11. SETTLEMENT OF DISPUTES**

The provisions contained in regulations 24 to 27 of these regulations, shall apply to any dispute between the trading licensee and any generating company or transmission licensee or consumers or distribution licensee and such disputes shall be settled in accordance with the provisions contained in the said regulations.

## **12. TARIFF, TRADING MARGINS AND EXPECTED REVENUE CALCULATION**

(1) The trading licensee shall calculate the expected revenue from charges, which it is permitted to recover in accordance with the provisions of the Act, the regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

(2) The trading licensee shall file the expected revenue calculation in the manner provided in the Conduct of Business Regulations and consistent with the regulations issued under section 61 of the Act.

(3) Unless otherwise provided in the Special Conditions or in any order or direction made by the Commission the licensee shall every year, not later than 31st November, submit to the Commission a Statement with full details of its expected aggregate revenues and cost of service for the ensuing financial year for its licensed business in accordance with the provisions of the Act and the regulations, guidelines and orders issued by the Commission from time to time.

## **13. COMPLIANCE AND SUBMISSION OF INFORMATION TO STATE LOAD DESPATCH CENTRE & CENTRAL ELECTRICITY AUTHORITY**

(1) The trading licensee shall comply with the provisions of codes and regulations published / specified by the Commission and directives of the Commission issued from time to time;

(2) The trading licensee shall submit to the State Load Dispatch Centre (SLDC) all such information pertaining to the trade of electricity by the licensee, provided further that the SLDC shall verify the information provided by the licensee on quantum of electricity traded as against its reports and submit a review report to the Commission.

(3) The trading licensee shall submit information to the Central Electricity Authority as required under section 74 of the Act in accordance with clause (i) of section 73 of the Act;

(4) The trading licensee shall pay the SLDC charges as may be specified by the Commission from time to time;

(5) The distribution licensee(s) when trading with other distribution licensee(s) shall comply with the Commission's specified ceiling value of trading margin.

(6) The trading licensee shall comply with the requirements under section 66 of the Act as may be specified by the Commission to promote the development of market;

## **14. PRUDENTIAL REPORTING**

The trading licensee, shall, as soon as practicable report to the Commission:

(a) Any significant changes in its circumstances which may affect the licensee's ability to meet its obligations under the Act, rules and regulations directions/orders issued by the Commission, the Tamil Nadu Electricity Grid Code, agreement or the licence.

(b) Any material breach of the provisions of the Act, the rules and the Regulations, directives/orders issued by the Commission, the Tamil Nadu Electricity Grid Code, the Tamil Nadu Electricity Distribution Code, the Tamil Nadu Electricity Supply Code, agreement or the licence.

(c) Any major change in shareholding pattern, ownership or management of the licensee.

## **15. COMMUNICATION**

(1) All communications relating to the trading licence shall be in writing and shall be delivered either in person to the addressee or his authorised agent, or sent by registered/speed post to the place of business of the addressee.

(2) All communications shall be regarded to have been given by the sender and received by the addressee:

(a) when delivered in person to the addressee or to his authorised agent;

(b) on expiry of fifteen days from the date of sending by registered/ speed post at the address of the addressee.

## **16. INTRODUCTION OF COMPETITION IN TRADING**

(1) The Commission may grant licence to more than one person to trade in the same area of activity of the licensee subject to the proviso to section 14 of the Act.

(2) The Commission may, after considering applicable Government policy and in consultation with the licensees and generating companies, formulate arrangements for the introduction of competition in supply / promote the development of a market (including trading of power) in the State. These consultations will adhere to the principles of natural justice, financial viability of the sector and will afford a reasonable opportunity to the affected parties to represent their perspectives in the matter.

(3) The Commission may, with reasons recorded in writing, and after providing reasonable opportunity to the licensee to be heard, issue such appropriate orders modifying or amending the conditions of this licence, as it shall consider appropriate for the purpose of implementing the arrangements referred to in this clause.

(4) The trading licensee shall arrange systems and other resources necessary for complying with this clause.

(5) The trading licensee in any circumstances shall not enter into any Agreement or abuse its dominant position or enter into a combination, which is likely to cause or causes an adverse effect on competition in the electricity industry.

(6) If the trading licensee anticipates that it will be unable to meet any of the obligations under this clause, it shall as soon as possible notify the Commission and give sufficient reasons for the same.

## **17. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES**

The conditions as set out herein above are applicable to any person who is a deemed licensee under section 14 of the Act.

**SCHEDULE 1**  
**Area of Activity**

**The following circles/districts in the state of Tamil Nadu:**

... including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the provisions of the Electricity Act, 2003

(By order of the Commission)

Chennai  
Dated .....

(Sd/-)  
Secretary/TNERC

**Annexure-9**

**EXTRACTS FROM THE ARBITRATION & CONCILIATION ACT, 1996**

**61. Application and Scope**

(1) Save as otherwise provided by any law for the time being in force and unless the parties have otherwise agreed, this Part shall apply to conciliation of disputes arising out of legal relationship, whether contractual or not and to all proceedings relating thereto.

(2) This Part shall not apply where by virtue of any law for the time being in force certain disputes may not be submitted to conciliation.

**62. Commencement of conciliation proceedings**

(1) The party initiating conciliation shall send to the other party a written invitation to conciliate under this Part, briefly identifying the subject of the dispute.

(2) Conciliation proceedings shall commence when the other party accepts in writing the invitation to conciliate.

(3) If the other party rejects the invitation, there will be no conciliation proceedings.

(4) If the party initiating conciliating does not receive a reply within thirty days from the date on which he sends the invitation or within such other period of time as specified in the invitation, he may elect to treat this as a rejection of the invitation to conciliate and if he so elects, he shall inform in writing the other party accordingly.

**63. Number of conciliators:-**

(1) There shall be one conciliator unless the parties agree that there shall be two or three conciliators.

(2) Where there is more than one conciliator, they ought, as a general rule, to act jointly.

**64. Appointment of conciliators:-**

(1) Subject to sub-section (2),-

(a) in conciliation proceedings with one conciliator, the parties may agree on the name of a sole conciliator;

(b) in conciliation proceedings with two conciliators, each party may appoint one conciliator;

(c) in conciliation proceedings with three conciliators, each party may appoint one conciliator and the parties may agree on the name of the third conciliator who shall act as the presiding conciliator.



(2) Parties may enlist the assistance of a suitable institution or person in connection with the appointment of conciliators, and in particular,-

(a) a party may request such an institution or person to recommend the names of suitable individuals to act as conciliator; or

(b) the parties may agree that the appointment of one or more conciliators be made directly by such an institution or person:

Provided that in recommending or appointing individuals to act as conciliator, the institution or person shall have regard to such considerations as are likely to secure the appointment of an independent and impartial conciliator and, with respect to sole or third conciliator, shall take into account the advisability of appointing a conciliator of a nationality other than the nationalities of the parties.

#### **65. Submission of Statements to conciliators:-**

(1) The conciliator, upon his appointment, may request each party to submit to him a brief written statement describing the general nature of the dispute and the points at issue. Each party shall send a copy of such statement to the other party.

(2) The conciliator may request each party to submit to him a further written statement of his position and the facts and grounds in support thereof, supplemented by any documents and other evidence that such party deems appropriate. The party shall send a copy of such statement, documents and other evidence to the other party.

(3) At any stage of the conciliation proceedings, the conciliator may request a party to submit to him such additional information as he deems appropriate.

**Explanation:-** In this section and all the following sections of this Part, the term “conciliator” applies to a sole conciliator, two or three conciliators as the case may be.

#### **66. Conciliator not bound by certain enactments:-**

The conciliator is not bound by the Code of Civil Procedures, 1908 or the Indian Evidence Act, 1872.

#### **67. Role of conciliator:-**

(1) The conciliator shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute.

(2) The conciliator shall be guided by principles of objectivity, fairness and justice, giving consideration to, among other things the rights and obligations of the parties, the usages of the trade concerned and the circumstances surrounding the dispute, including any previous business practices between the parties.

(3) The conciliator may conduct the conciliation proceedings in such a manner as he considers appropriate, taking into account the circumstances of the cases, the wishes the parties may express, including any request by a party that the conciliator hear oral statements, and the need for a speedy settlement of the dispute.

(4) The conciliator may, at any stage of the conciliation proceedings, make proposals for a settlement of the dispute. Such proposals need not be in writing and need not be accompanied by a statement of the reasons therefor.

#### **68. Administrative assistance:-**

In order to facilitate the conduct of the conciliation proceedings, the parties, or the conciliator with the consent of the parties, may arrange for administrative assistance by a suitable institution or person.

#### **69. Communication between conciliator and parties:-**

(1) The conciliator may invite the parties to meet him or may communicate with them orally or in writing. He may meet or communicate with the parties together or with each of them separately.

(2) Unless the parties have agreed upon the place where meetings with the conciliator are to be held, such place shall be determined by the conciliator, after consultation with the parties, having regard to the circumstances of the conciliation proceedings.

#### **70. Disclosure of information:-**

When the conciliator receive factual information concerning the dispute from a party, he shall disclose the substance of that information to the other party, he shall disclose the substance of that information to the other party in order that the other party may have the opportunity to present any explanation which he considers appropriate:

Provided that when a party gives any information to the conciliator subject to a specific condition that it be kept confidential, the conciliator shall not disclose that information to the other party.

#### **71. Co-operation of parties with conciliator:-**

The parties shall in good faith co-operate with the conciliator and, in particular, shall endeavour to comply with requests by the conciliator to submit written materials, provide evidence and attend meetings.

#### **72. Suggestions by parties for settlement of dispute:-**

Each party may, on his own initiative or at the invitation of the conciliator, submit to the conciliator suggestions for the settlement of the dispute.

#### **73. Settlement agreement:-**

(1) When it appears to the conciliator that there exist elements of a settlement, which may be acceptable to the parties, he shall formulate the terms of a possible settlement and submit them to the parties for their observations. After receiving the observations of the parties, the conciliator may reformulate the terms of a possible settlement in the light of such observations.

(2) If the parties reach agreement on a settlement of the dispute, they may draw up and sign a written settlement agreement. If requested by the parties, the conciliator may draw up, or assist the parties in drawing up, the settlement agreement.

(3) When the parties sign the settlement agreement, it shall be final and binding on the parties and persons claiming under them respectively.

(4) The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each of the parties.

#### **74. Status and effect of settlement agreement:-**

The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal under section 30.

#### **75. Confidentiality:-**

Notwithstanding anything contained in any other law for the time being in force, the conciliator and the parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement.

**76. Termination of conciliation proceedings:-**

The conciliation proceedings shall be terminated –

- (a) by the signing of the settlement agreement by the parties on the date of the agreement; or
- (b) by a written declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or
- (c) by a written declaration of the parties addressed to the conciliator to the effect that the conciliation proceedings are terminated, on the date of the declaration; or
- (d) by a written declaration of a party to the other party and the conciliator, if appointed, to the effect that the conciliation proceedings are terminated, on the date of the declaration.

**77. Resort to arbitral or judicial proceedings:-**

The parties shall not initiate, during the conciliation proceedings, any arbitral or judicial proceedings in respect of a dispute that is the subject matter of the conciliation proceedings except that a party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights.

**78. Costs:-**

(1) Upon termination of the conciliation proceedings, the conciliator shall fix the costs of the conciliation and give written notice thereof to the parties.

(2) For the purpose of sub-section (1), “costs” means reasonable costs relating to-

- (a) the fee and expenses of the conciliator and witnesses requested by the conciliator with the consent of the parties;
- (b) any expert advice requested by the conciliator with the consent of the parties;
- (c) any assistance provided pursuant to clause (b) of sub-section (2) of section 64 and section 68;
- (d) any other expenses incurred in connection with the conciliation proceedings and the settlement agreement.

(3) The costs shall be borne equally by the parties unless the settlement agreement provides for a different apportionment. All other expenses incurred by a party shall be borne by that party.

**79. Deposits:-**

(1) The conciliator may direct each party to deposit an equal amount as an advance for the costs referred to in sub-section (2) of section 78, which he expects will be incurred.

(2) During the course of the conciliation proceeding, the conciliator may direct supplementary deposits in an equal amount from each party.

(3) If the required deposits under sub-section (1) and (2) are not paid in full by both the parties within thirty days, the conciliator may suspend the proceedings or may make a written declaration of termination of the proceedings to the parties effective on the date of that declaration.

(4) Upon termination of the conciliation proceedings, the conciliator shall render an accounting to the parties of the deposits received and shall return any unexpended balance to the parties.

**80. Role of conciliator in other proceedings:-**

Unless otherwise agreed by the parties,-

- (a) the conciliator shall not act as an arbitrator or as a representative or counsel of a party in any arbitral or judicial proceedings in respect of dispute that is the subject of the conciliation proceedings;
- (b) the conciliator shall not be represented by the parties as a witness in any arbitral or judicial proceedings.

**81. Admissibility of evidence in other proceedings:-**

The parties shall not rely on or introduce as evidence in arbitral or judicial proceedings, whether not such proceedings relate to the dispute that is the subject of the conciliation proceedings,-

- (a) views expressed or suggestions made by the other party in respect of a possible settlement of the dispute;
- (b) admissions made by the other party in the course of the conciliation proceedings;
- (c) proposals made by the conciliator;
- (d) the fact that the party had indicated his willingness to accept a proposal for settlement made by the conciliator.

**82. Power of High Court to make rules:-**

The High Court may make rules consistent with this Act as to all proceedings before the Court under this Act.

**83. Removal of difficulties:-**

(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not consistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty;

(2) Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(3) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

**84. Power to make rules:-**

(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Ordinance.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**85. Repeal and saving:-**

(1) The Arbitration (Protocol and Convention) Act, 1937, the Arbitration Act, 1940, and the Foreign Awards (Recognition and Enforcement) Act, 1961 are hereby repealed.

(2) Notwithstanding such repeal,-

(a) the provisions of the said enactments shall apply in relation to arbitral proceedings which commenced before this Act came into force unless otherwise agreed by the parties by this Act shall apply in relation to arbitral proceedings which commenced on or after this Act comes into force;

(b) all rules made and notifications published, under the said enactments shall, to the extent to which they are not repugnant to this Act, be deemed respectively to have been made or issued under this Act.

**86. Repeal of Ordinance 27 of 1996 and saving:-**

(1) The Arbitration and Conciliation (Third) Ordinance 1996 is hereby repealed.

(2) Notwithstanding such repeal any order rule notification or scheme made or anything done or any action taken in pursuance of any provision of the said Ordinance shall be deemed to have been made done or taken under the corresponding provisions of this Act.

## **Powers and Duties of Secretary Regulations 2004**

### **Notification No.TNERC/PDS/10/1, dated 6.5.2004.**

In exercise of the powers conferred on it by sub-section (1) of section 91 read with clause (zj) of sub section (2) of section 181 of Electricity Act 2003 (Act No 36 of 2003) and all powers enabling it in that behalf the Tamil Nadu Electricity Regulatory Commission hereby makes the following Regulations.

1. These Regulations may be called TNERC Powers & Duties of Secretary Regulations 2004.

2. (1) 'Act' means the Electricity Act 2003.

(2) 'Commission' means the Tamil Nadu Electricity Regulatory Commission.

(3) 'Chairman' means the Chairman of the Tamil Nadu Electricity Regulatory Commission.

(4) 'Secretary' means the Secretary of the Tamil Nadu Electricity Regulatory Commission.

3. (i) **Administration**

(1) He shall issue orders of appointments for all categories subject to the selection procedures under TNERC Service Regulations.

Powers of  
Secretary

(2) He shall declare commencement and completion of probation of staff and officers who are required to be placed under a period of probation as per the TNERC Service Regulations.

(3) He is empowered to sanction increment to the staff and officers of the Commission.

(4) He is empowered to sanction all kinds of leave to the officers and staff of the Commission.

(ii) **Financial Powers**

(1) He shall pass all the entitlement claims and other bills for supply and works without any monetary limit and draw cheques for the claim /bills admitted/passed and also for office maintenance expenses.

(2) He is empowered to call for and process tenders for procurement of materials and execution of work in accordance with the Tamil Nadu Transparency in Tenders Act 1998 and Tamil Nadu Transparency in Tender Rules 2000 and in accordance with TNERC Tender Procedure approved by the Commission as well as in TNERC – Appointment of Consultant Regulations 2004.

4. (i) **Administration**

(1) The Secretary shall be the Principal Officer and spokesperson of the Commission.

(2) He shall be responsible for General Administration, attendance and upkeep of office of the Commission.

(3) All the correspondences to the Commission and from the Commission shall be in the name of the Secretary.

(4) He shall be Drawing and Disbursing Officer of the Commission.

(5) He shall have the custody of seals and records.

(6) He shall allocate the work among the different officers and staff of the Commission

(ii) **Accounts and Finance**

(1) He shall cause preparation of Budget in each financial year showing the estimated receipts and expenditure of the Commission for the next financial year and forward the same to Government of Tamil Nadu as required in section 106 of the Act.

(2) He shall ensure that the expenditure is covered under budget provision.

(3) He shall ensure the maintaining of proper accounts and other relevant records and preparation of Annual Statement of Accounts in the prescribed format for each financial year. The Annual Statement of Accounts

Duties of  
Secretary

shall be got audited by the Accountant General . The Certified Audit Annual Statement of Accounts shall be forwarded to the Government of Tamil Nadu to be laid before the State Legislature.

(4) He shall ensure preparation of Annual Reports every year in the prescribed format. The Annual Reports shall be forwarded to the Government of Tamil Nadu to be laid before the State legislature.

(5) As drawing officer, he is responsible for proper maintenance of Bank Account and drawal of cheque. he shall verify and certify closing balance of cash on hand and at bank every month.

(6) He shall make all payments by drawing cheques.

(7) To ensure compliance of above duties, he shall allocate the works suitably among the subordinate officers and staff for their accountability.

(iii) **Conduct of Business**

(1) He shall receive and cause to receive all petitions, applications or references on behalf of the Commission and arrange for their acknowledgment .

(2) He shall assist the Commission in the conduct of the proceedings and cause to prepare brief and summarise of all pleadings before the Commission.

(3) He shall cause issuance of notices of enquiry by the Commission.

(4) He shall arrange convening of Commission's meetings and place the matter before the Commission for consideration and orders.

(5) he shall prepare minutes of meetings of the Commission and record the decision of the Commission in the Minutes Book maintained for the purpose.

(6) He shall authenticate all orders and decisions of the Commission.

(7) He shall issue certified copies of the orders passed by the Commission

(8) He shall ensure enforcement and compliance of orders passed by the Commission by the persons concerned in accordance with the provision of

the Act and Regulations and if necessary may seek orders of the Commission for direction.

(9) He shall be ex-officio Secretary to the State Advisory Committee and convene Committee meetings after giving 14 days notice to the members.

(10) He shall place the notes if any received from the members before the Advisory Committee. He shall arrange to record the minutes of the Committee meeting.

5. He may, with the approval of the Chairman, delegate any of the duties to any of the Officers of the Commission.

6. The Commission may at any time add modify, delete or amend any provision of these Regulations.

General

Powers  
to amend



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(7) To ensure compliance of above duties, he shall allocate the works suitably among the subordinate officers and staff for their accountability.

(iii) **Conduct of Business**

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(3) He shall cause issuance of notices of enquiry by the Commission.

(4) He shall arrange convening of Commission's meetings and place the matter before the Commission for consideration and orders.

(5) he shall prepare minutes of meetings of the Commission and record the decision of the Commission in the Minutes Book maintained for the purpose.

(6) He shall authenticate all orders and decisions of the Commission.

(7) He shall issue certified copies of the orders passed by the Commission

(8) He shall ensure enforcement and compliance of orders passed by the Commission by the persons concerned in accordance with the provision of

the Act and Regulations and if necessary may seek orders of the Commission for direction.

(9) He shall be ex-officio Secretary to the State Advisory Committee and convene Committee meetings after giving 14 days notice to the members.

(10) He shall place the notes if any received from the members before the Advisory Committee. He shall arrange to record the minutes of the Committee meeting.

5. He may, with the approval of the Chairman, delegate any of the duties to any of the Officers of the Commission.

6. The Commission may at any time add modify, delete or amend any provision of these Regulations.

General

Powers  
to amend

## **Power Procurement from New and Renewable Sources of Energy Regulations, 2008**

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:-

- (1) Power Procurement from New and Renewable Sources of Energy Regulations 2008 (Notification No.TNERC/NCES Regn./16/1, Dated 08-02-2008)
- (2) Power Procurement from New and Renewable Sources of Energy (First Amendment) Regulations 2008 (Notification No.TNERC/NCES Regn./16/2, Dated 01-12-2008)
- (3) Power Procurement from New and Renewable Sources of Energy (Second Amendment) Regulations 2008 (Notification No.TNERC/NCES Regn./16/3, Dated 24-12-2008)
- (4) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2009 (Notification No.TNERC/NCES Regn./16/4, Dated 27-04-2009)
- (5) Power Procurement from New and Renewable Sources of Energy (Second Amendment) Regulations 2009 (Notification No.TNERC/NCES Regn./16/5, Dated 08-06-2009)
- (6) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2009 (Notification No.TNERC/NCES Regn./16/6, Dated 14-12-2009)
- (7) Power Procurement from New and Renewable Sources of Energy Regulations 2008(as amended upto 31-12-2009) (Notification No.TNERC/NCES Regn./16/7, Dated 07-01-2010)
- (8) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2010 (Notification No.TNERC/NCES Regn./16/8, Dated 20-07-2010)
- (9) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2011 (Notification No.TNERC/NCES Regn./16/9, Dated 18-03-2011)
- (10) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2011 (Notification No.TNERC/NCES Regn./16/10, Dated 01-07-2011)
- (11) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2013 (Notification No.TNERC/NCES Regn./16/11, Dated 19-01-2013)

WHEREAS under Section 61 of the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify the terms and conditions for the determination of tariff;

AND WHEREAS the regulations providing for the terms and conditions for determination of tariff shall be subject to previous publication and accordingly undergone previous publication.

NOW, THEREFORE, in exercise of the powers conferred under Section 61(h) read with section 86(1)(e) and Section 181 of the said Electricity Act, 2003, and all other powers enabling it in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations.

## 1. Short title and commencement, applicability and extent

(1) These Regulations may be called “The Power Procurement from New and Renewable Sources of Energy Regulations, 2008.”

(2) These regulations shall be deemed to have come into force on the 15th May 2006, the date on which the Commission's order No: 3 dated the 15th May 2006 had been issued.

(3) These regulations shall apply to all new and renewable source based generating plants including co-generation plants located within the State of Tamil Nadu for which power purchase agreements/contracts were **signed on or after** the 15th May 2006. The contracts and agreements between new and renewable sources based generators and the distribution licensees signed prior to the 15th May 2006 would continue to remain in force. However, the generators and the distribution licensees shall have the option to mutually re-negotiate the agreements/contracts signed prior to the 15th May 2006 in line with these regulations even before the expiry of the agreements/contracts. <sup>1</sup>\*\*\*] Any renewal of the said contracts/agreements, new contracts/agreements shall be in line with these regulations.

(4) They shall extend to the whole of State of Tamil Nadu.

## 2. Definitions

(1) In these Regulations unless the context otherwise requires,—

(a) “**Act**” means the Electricity Act, 2003 (Central Act of 36 of 2003)

(b) “**Cogeneration**” means a process, which simultaneously produces two or more forms of useful energy (including Electricity)

(c) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission;

(d) “**Government**” means the Government of Tamil Nadu;

(e) “**Firm Power**” means injecting of atleast 700 units in to the grid by the generator per hour per scheduled MW. [This calculation is based on a normative load factor of 70% (i.e. 1000 kWh x 70% Load Factor = 700 units per hour)];

(f) “**Infirm Power**” means the energy supplied that is not firm power, which is interruptible on a very short notice;

<sup>2</sup>[(f1) “**Inter connection point**” means the interface point of renewable energy generating facility with the transmission system or distribution system, as the case may be:

(a) in relation to wind energy projects and solar photovoltaic projects, inter connection point shall be line isolator on outgoing feeder on HV side of the pooling sub station;

(b) in relation to small hydro power, biomass power and non fossil fuel based cogeneration power projects and Solar Thermal Power Projects, the inter connection point shall be line isolator on outgoing feeder on HV side of generator transformer;

(f2) “**Interface line**” means the electric line between the interconnection point and the nearest point at which the electric line could technically be connected to the existing grid or distribution system;]<sup>2</sup>

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<sup>1</sup> Deleted vide Commission's Notification No.TNERC/NCES Regn./16/10 dated 1<sup>st</sup> July 2011.(w.e.f 20-07-2011) which before deletion stood as under:

“When the generator/distribution licensee opts to come under the new agreement/contract for availing the benefit, the generator/distribution licensee shall accept the option and shall execute revised agreement within thirty days from the date of such option”.

<sup>2</sup>Inserted as per Commission's Notification No. TNERC/NCES Regn./16/6 dated 14-12-2009 (w.e.f. 30-12-2009)

(g) “**New and renewable sources**” means the non-conventional, renewable electricity generating sources such as mini/micro hydel, wind, solar, biomass, bagasse based cogeneration, urban/municipal waste, or other such sources as approved by the Government of India or Government of Tamil Nadu <sup>1</sup>[or Commission]<sup>1</sup> which are generally inexhaustible and can be replenished in a short period of time;

Words or expressions occurring in these Regulations and not defined herein but defined in other Regulations published by the Commission or in the Act shall bear the same meanings respectively assigned to them in the Act / Regulations.

### 3. Promotion of new and renewable sources of energy

(1) The minimum percentage of electrical energy which each distribution licensee shall purchase from new and renewable sources generators shall be as stipulated in the Commission’s order issued from time to time, subject to the availability of such power. The distribution licensee shall furnish the quantum of purchase of energy from new and renewable sources and cogeneration for the ensuing year in the Annual Revenue Requirement (ARR) filing.

(2) A maximum of **25% of conventional fuel** only is permitted to be used out of the total fuel used in a year, for start-up, stabilization and extended operational days in a year by the bagasse/biomass based generating plants.

(3) <sup>2</sup>[Evacuation facilities from the point of generation to the interconnection point including the required metering, protection arrangement and related other equipments and the entire interface line shall be provided by the generator as per the Commission’s Intra State Open Access Regulations, Central Electricity Authority (Technical Standards for connectivity to the Grid) Regulations and Tamil Nadu Electricity Grid Code, inforce.]<sup>2</sup>

(4) The Commission may consider appropriate banking mechanism for generation of power from a particular kind of renewable source depending upon the inherent characteristics of such source.

<sup>5</sup>[(5) The Commission may specify appropriate procedure for payment to the generators by the distribution licensee and payment to the distribution licensee by the captive / third party user.]<sup>5</sup>

### 4. Determination of tariff

(1) The Commission shall follow the process mentioned below for the determination of tariff for the power from new and renewable sources based generators, namely:—

(a) initiating the process of fixing the tariff either suo motu or on an application filed by the distribution licensee or by the generator.

(b) inviting public response on the suo motu proceedings or on the application filed by the distribution licensee or by the generator.

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<sup>1</sup>Inserted as per Commission’s Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27.4.2009)**

<sup>2</sup>Substituted as per Commission’s Notification No. **TNERC/NCES Regn./16/11 dated 19-01-2013 (w.e.f. 20-02-2013)** which before substitution stood as under:

“Evacuation facilities shall be provided by the State Transmission Utility (STU) /Distribution licensee as per the Commission’s Intra State Open Access Regulations 2005, Central Electricity Authority (Technical Standards for connectivity to the Grid) Regulations, 2007 and Tamil Nadu Electricity Grid Code. The cost of interfacing lines, switch gear, metering, protection arrangement and related other equipments up to the interconnection point shall have to be borne by the generators, but the work shall be executed by STU/distribution licensee”.

<sup>3</sup>Provided that, in the case of sale of entire power to the distribution licensee by any new and renewable source based generator, the cost of interfacing lines up to the interconnection point shall have to be borne only by the STU/distribution licensee.

Provided further that in case where the new and renewable source based generator referred to in the first proviso who has entered into an EPA with the distribution licensee referred to therein for the sale of entire power to the said distribution licensee decides to use such power agreed to be sold to the said distribution licensee, for his captive use or for sale of such power to a third person or to a distribution licensee other than the distribution licensee referred to above before the expiry of the period referred to in such EPA, then he shall be bound to reimburse the <sup>4</sup>[depreciated (Written down value) cost of interfacing lines]<sup>4</sup> to the distribution licensee with whom he has executed such EPA, before the wheeling of power to his captive use or sale to third person or distribution licensee other than the distribution licensee with whom the said EPA has been executed by him.]<sup>3</sup>

<sup>3</sup>Added as per Commission’s Notification No. **TNERC/NCES Regn./16/2, dated 01.12.2008 (w.e.f. 17.12.2008)**

<sup>4</sup>Substituted for the expression “**entire cost of interfacing lines**” as per Commission’s Notification No. **TNERC/NCES Regn./16/5, dated 08.06.2009 (w.e.f. 08.07.2009)**

<sup>5</sup>Substituted as per Commission’s Notification No. **TNERC/NCES Regn./16/4 dated 27.04.2009 (w.e.f. 27.04.2009)** which before substitution stood as under:

“The Licensee shall provide adequate payment security mechanism to the generators for purchase of power”

(c) <sup>1</sup>[\*\*]

(d) issuing general / specific tariff order for purchase of power from new and renewable sources based generators.

(2) While deciding the tariff for power purchase by distribution licensee from new and renewable sources based generators, the Commission shall, as far as possible, be guided by the principles and methodologies specified by:

- (a) Central Electricity Regulatory Commission
- (b) National Electricity Policy
- (c) Tariff Policy issued by the Government of India
- (d) Rural Electrification Policy
- (e) Forum of Regulators (FOR)
- (f) Central and State Governments

(3) The Commission shall, by a general or specific order, determine the tariff for the purchase of power from each kind of new and renewable sources based generators by the distribution licensee. In case of small hydro projects with a capacity of more than **5 MW but not exceeding 25 MW capacities**, Commission decide the tariff on case to case basis.

Provided where the tariff has been determined by following transparent process of bidding in accordance with the guidelines issued by the Central Government, as provided under section 63 of the Act, the Commission shall adopt such tariff.

(4) While determining the tariff, the Commission may, to the extent possible consider to permit an allowance / disincentive based on technology, fuel, market risk, environmental benefits and social impact etc., of each type of new and renewable source.

(5) While determining the tariff, the Commission shall adopt appropriate financial and operational parameters.

(6) While determining the tariff the Commission may adopt <sup>2</sup>[appropriate tariff methodology]<sup>2</sup>.

## **5. Charges for adjustment of wheeled energy**

The Commission may levy appropriate charges for adjustment of wheeled energy based on the load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area of generation/supply, the nature of supply and the purpose for which the supply is adjusted.

## **6. Agreement and Control period**

<sup>3</sup>[The tariff as determined by the Commission by a general or specific order for the purchase of power from each type of renewable source by the distribution licensee as referred to in clause 4(3) shall remain in force for such period as specified by the Commission in such tariff orders.]<sup>3</sup> The control period <sup>4</sup>[may ordinarily be two years]<sup>4</sup>. When the Commission revisits the tariff <sup>5</sup>[\*\*]<sup>5</sup>, the revision shall be applicable only to the generator of new and renewable energy sources commissioned after the date of such revised order.

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<sup>1</sup>Omitted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27.04.2009)** which before omission stood as under:

**"conducting public hearing on the above"**

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27.04.2009)** which before substitution stood as under:

**"cost plus single part average tariff which can be reviewed later"**

<sup>3</sup>Substituted for the expression **"The tariff determined by the commission in the tariff order shall be applicable for the power purchase agreement period of twenty years."** as per Commission's Notification No. **TNERC/NCES Regn./16/8, dated 20-07-2010 (w.e.f.11-8-2010)**

<sup>4</sup>Substituted for the expression **"may be three years"** as per Commission's Notification No. **TNERC/NCES Regn./16/3, dated 24-12-2008 (w.e.f. 18-02-2009)**

<sup>5</sup>Omitted as per Commission's Notification No. **TNERC/NCES Regn./16/11, dated 19-01-2013 (w.e.f 20-02-2013)** which before omission stood as under:

**"and allied issues"**



## 7. Energy Purchase Agreement (EPA) and Energy Wheeling Agreement (EWA)

<sup>1,2</sup>[The distribution licensees shall file a model Energy Purchase Agreement (EPA)/Energy Wheeling Agreement(EWA) after discussion with the generators / Open Access Customers for the approval of the Commission within one month of the issuance of tariff order by the Commission]<sup>1,2</sup>. Before 10th of succeeding month, the licensee / generator shall furnish the list of <sup>3</sup>[Energy Purchase Agreements]<sup>3</sup> executed during the preceding month and pay applicable fees as stipulated in the Tamil Nadu Electricity Regulatory Commission's Fees and Fines Regulations, 2004. The distribution licensees/STU shall sign an Energy Wheeling Agreement taking cognizance of the energy wheeling principles elaborated in the general or special tariff order.

## 8. Issues related to captive use and third party sale

While issuing the general or specific tariff order, the Commission may consider appropriate criteria/ procedure/parameters/charges for each type of new and renewable source, on the following issues, for sale of power to distribution licensee, captive use and third party sale of power by the new and renewable source generators.

- (1) Applicable demand charges
- (2) Applicable energy charges
- (3) Grid availability charges
- (4) Scheduling and system operation charges
- (5) Transmission & wheeling charges and line losses
- <sup>4</sup>[5 A) Banking charges]<sup>4</sup>
- (6) Reactive power charges
- (7) Adjustment of peak and off peak power
- (8) Power factor <sup>5</sup>[\*\*\*]<sup>5</sup> disincentive
- (9) Payment of security deposit by the captive/third party user
- (10) Billing and payment to the generators by distribution licensee
- (11) Applicable open access registration fee and open access agreement fee
- (12) Any other related issues.

## 9. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, take action for removing the same consistent with the provisions of the Act.

## 10. Power to amend

The Commission may, at any time add, modify, delete or amend any of the provisions of these Regulations.

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

Secretary.

<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27-04-2009)** which before substitution stood as under:

**"The distribution licensee shall file a model Energy Purchase Agreement for approval of the Commission within a period to be specified by the Commission"**

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/NCES Regn./16/11, dated 19-01-2013 (w.e.f. 20-02-2013)** which before substitution stood as under:

**"The format of the Energy Purchase Agreement (EPA) and Energy Wheeling Agreement (EWA) shall be evolved by the Commission after discussion with the generators and the distribution licensee"**

<sup>3</sup> *Substituted for the expression "PPAs" as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27-04-2009 (w.e.f. 27-04-2009)**"*

<sup>4</sup> *Inserted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27-04-2009 (w.e.f. 27-4-2009.)***

<sup>5</sup>*Omitted as per Commission's Notification No. **TNERC/NCES Regn./16/11, dated 19-01-2013 (w.e.f. 20-02-2013)** which before omission stood as under:*

**"Incentive"**

## **Renewable Energy Purchase Obligation Regulations, 2010**

In exercise of powers conferred by section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) read with sections 61, 66 and 86(1)(e) and all other powers enabling it in this behalf, and after previous publication, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations for the Renewable Energy Purchase Obligation:

### **1. Short title and commencement.-**

- (1) These regulations may be called the **Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010.**
- (2) These regulations shall come into force on the date of their publication in the Tamil Nadu Government Gazette.

### **2. Definitions.-**

- (1) In these regulations, unless the context otherwise requires,-
  - (a) **'Act'** means the Electricity Act, 2003 (Act 36 of 2003);
  - (b) **'Central Agency'** means the agency as defined in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010;
  - (c) **'Central Commission'** means the Central Electricity Regulatory Commission as defined in Section 2(9) of the Act;
  - (d) **'Certificate'** means the Renewable Energy Certificate (REC) issued by the Central Agency in accordance with the procedures prescribed by it and under the provisions specified in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010;

- (e) **‘Commission’** means the Tamil Nadu Electricity Regulatory Commission;
- (f) **‘forbearance price’** means the ceiling price as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time, within which only the Certificate can be dealt with in power exchange;
- (g) <sup>1</sup>**‘obligated entity’** means the distribution licensees, consumers owning **grid connected** Captive Generating Plants (CGPs) and open access consumers in the State of Tamil Nadu, who have to mandatorily comply with renewable purchase obligation under these Regulations subject to fulfilment of conditions outlined under Regulation 3;]
- (h) **‘Pooled cost of power purchase’** means the weighted average pooled price at which the distribution licensee has purchased the electricity including cost of self generation in the previous year from all the long-term energy suppliers, but excluding those based on liquid fuel, purchase from traders, short-term purchases and renewable energy sources;
- (i) **‘Power Exchange’** means that power exchange which operates with the approval of the Central Commission;
- (j) **‘preferential tariff’** means the tariff fixed by the Commission for sale of energy from a generating station based on renewable energy sources to a distribution licensee;
- (k) **‘Quantum of purchase’** means percentage share of total purchase of electricity from renewable sources as specified in the Commission’s tariff orders on renewable energy and the quantum would be the sum of all direct purchases from generating stations based on renewable sources and purchase from any other source, which would arise from renewable sources;

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<sup>1</sup>Substituted as per Commission’s Notification No.TNERC/RPO/19/2, dated 29-07-2011 (w.e.f.10-08-2011) which before substitution stood as under:

**‘obligated entity’** means the entity mandated under clause (e) of sub-section (1) of section 86 of the Act to fulfil the renewable purchase obligation;

- (l) **‘Renewable Sources’** means sources of energy as defined in the Regulation 2(1) (g) of the Power Procurement from New and Renewable Sources of Energy Regulations, 2008 issued by the Commission;
- (m) **‘State Agency’** means the **State Load Dispatch Centre** of the State of Tamil Nadu as defined under Section 2(66) of the Act or the Agency so designated by the Commission under Regulation 5(4) of these Regulations;
- (n) **‘Year’** means a financial year commencing with the 1<sup>st</sup> April of the current year and ending with the 31<sup>st</sup> March of the succeeding year;
- (2) Words and expressions used and not defined in these Regulations but defined in the Act or the Regulations issued by the Central Commission or any other Regulations issued by the Commission, shall have the meaning respectively assigned to them in the Act or such Regulations.

## <sup>2</sup> [3. Renewable Purchase Obligation.-

- (1) Every obligated entity shall purchase not less than defined minimum percentage of its consumption of energy from renewable energy sources under the Renewable Purchase Obligation (RPO) during a year as specified below:

Sl.No.	Year	Minimum Quantum of total renewable purchase obligation in percentage. (in terms of energy in kWh)		Minimum quantum of solar renewable purchase obligation in percentage out of the total renewable purchase obligation mentioned in column (3). (in terms of energy in kWh)	
		Distribution Licensee	Captive and Open Access Consumers	Distribution Licensee	Captive and Open Access Consumers

(1)	(2)	(3)		(4)	
1	2011-12	9%	9%	0.05%	0.05%

Provided that if the obligated entity has established the fact that the minimum quantum of power purchase from solar energy is not available in the market either in the form of solar Renewable Energy Certificate (REC) or solar energy in a particular year and the Commission is satisfied with the fact, then in such cases, the other renewable energy sources shall be purchased for fulfillment of the solar RPO:

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<sup>2</sup> Substituted as per Commission's Notification No.TNERC/RPO/19/2, dated 29-07-2011 (w.e.f. 10-08-2011) which before substitution stood as under:

### **3.Renewable Purchase Obligation.-**

- (1) Every obligated entity shall purchase not less than defined minimum percentage of its consumption of energy from renewable energy sources under the Renewable Purchase Obligation (RPO) during a year **as specified in the Commission's tariff regulations/orders on renewable energy issued from time to time:**

Provided that certain percentage out of the renewable purchase obligation so specified in the Commission's tariff order on solar energy shall be procured from generation based on solar energy as renewable energy source:

Provided further that when NTPC Vidyut Vyapar Nigam Ltd. (NVVN) supplies bundled power to distribution licensee(s) in the State at the rate determined as per Central Electricity Regulatory Commission regulations, the distribution licensee will be entitled to use the solar part of the bundled power for meeting the RPO specified under the Electricity Act, 2003.

Provided also that if the obligated entity has established the fact that the minimum quantum of power purchase from solar energy is not available in the market either in the form of solar Renewable Energy Certificate (REC) or solar energy in a particular year and the Commission is satisfied with the fact, then in such cases, the other renewable energy sources shall be purchased for fulfillment of the solar RPO **as mentioned in the Commission's tariff orders on renewable energy:**

Provided also that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity:

Provided also that the energy purchase agreements for the purchase of renewable energy sources already entered into by the distribution licensees shall continue to be made till their present validity, even if the total purchases under such agreements exceed the

percentage as specified hereinabove.

- (2) If the RPO for any of the year is not specified by the Commission, the RPO specified for the previous year shall be continued beyond the period till any revision is effected by the Commission in this regard.
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Provided further that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity:

Provided also that the renewable power purchased from the following sources and means mentioned against each obligated entity shall be accounted for RPO purpose:-

**(a) Distribution Licensees. –**

- (i) Power purchased from Renewable Energy sources under preferential tariff as fixed by the Commission and consumed in their area of supply;
- (ii) Power generated from their own renewable energy sources and consumed in their area of supply;
- (iii) Power purchased from NTPC Vidyut Vyapar Nigam Ltd. (NVVN) as solar part of bundled power at the rate specified in the Central Electricity Regulatory Commission's regulations/orders.

**(b) Captive consumers. -**

Power wheeled and actually consumed from their own renewable energy sources without availing RECs or any preferential measures in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty/tax.

**(c) Open access consumers.-**

Power wheeled and actually consumed from any renewable energy sources without availing RECs or any preferential measures in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty/tax.

- (2) If the RPO for any of the year is not specified by the Commission, the RPO specified for the previous year shall be continued beyond the period till any revision is effected by the Commission in this regard.
- (3) Having regard to operational constraints and other relevant factors to the State Nodal Agency, the compliance of RPO by the captive and open access consumers shall be implemented in a phased manner as stated below:
  - (a) In the first phase, RPO compliance shall be implemented for captive and open access consumers whose sanctioned demand is 2 MVA and above from the date of commencement of these regulations.
  - (b) In the second phase, RPO compliance shall be implemented for captive and open access consumers whose sanctioned demand is 1 MVA and above from 01-04-2012.
  - (c) In the third and final phase, RPO compliance shall be implemented for all captive and open access consumers irrespective of the sanctioned demand from 01-04-2013.”]

#### **4. Certificates under the Regulations of the Central Commission.-**

- (1) Subject to these regulations the Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall be the valid instruments for the discharge of the mandatory obligations set out in these regulations for the obligated entities to purchase electricity from renewable energy sources:

Provided that if a separate quota is earmarked for solar energy, the obligation to purchase electricity from generation based on solar as renewable energy source shall be fulfilled by purchase of solar certificates only.

- (2) Subject to such direction as the Commission may give from time to time, the obligated entity shall act in consonance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 notified by the Central Commission in regard to the procurement of the certificates for fulfillment of the RPO under these regulations.
- (3) The Certificates purchased by the obligated entities from the power exchange in terms of the regulation of the Central Commission mentioned in clause (1) of this Regulation shall be deposited by the obligated entities with the State Agency in accordance with the detailed procedure issued by the Central Agency.

#### **5. State Agency.-**

- (1) The State Agency shall be the agency for accreditation and recommending the renewable energy projects for registration and to discharge the functions under these regulations and Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010.
- (2) The State Agency shall submit quarterly status report to the Commission in respect of compliance of renewable purchase obligation by the obligated entities and may suggest appropriate action to the Commission if required



for compliance of the renewable purchase obligation.

- (3) The Commission may from time to time fix the remuneration and charges payable to the State Agency for discharge of its functions under these regulations.
- (4) If the Commission is satisfied that the State Agency is not able to discharge its functions satisfactorily, it may by general or special order, and for reasons to be recorded in writing, designate any other agency to function as State Agency as it considers appropriate.

#### **6. Eligibility and Registration for Certificates. –**

- (1) A generating company engaged in generation of electricity from renewable energy sources shall be eligible for obtaining accreditation from the State Agency if it fulfils the following conditions:

- (a) It does not have any power purchase agreement for the capacity related to such generation to sell electricity at a preferential tariff determined by the Commission; and
- (b) It sells the electricity generated either (i) to the distribution licensee in the State of Tamil Nadu at a price not exceeding the pooled cost of power purchase, or (ii) to any other licensee or to an open access consumer at a mutually agreed price, or through power exchange at market determined price.

<sup>3</sup>[Provided that such a generating company having entered into a power purchase agreement for sale of electricity at a preferential tariff shall not, in case of premature termination of the agreement, be eligible for participating in the Renewable Energy Certificate (REC) scheme for a period of three years from the date of termination of such agreement or till the scheduled date of expiry of power purchase agreement whichever is

earlier, if any order or ruling is found to have been passed by the Commission or a competent court against the generating company for material breach of the terms and conditions of the said power purchase agreement:

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<sup>3</sup> Inserted as per Commission's Notification No.TNERC/RPO/19/2, dated 29-07-2011 (w.e.f. 10-08-2011)

Provided further that a grid connected CGP based on renewable energy sources shall be eligible for the entire energy generated excluding auxiliary consumption from such plant but including self consumption for participating in the REC scheme subject to the condition that such CGP has not availed or does not propose to avail any benefit in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty/tax:

Provided also that if such a CGP forgoes on its own, the benefits of concessional transmission or wheeling charges, banking facility benefit and waiver of electricity duty/tax, it shall become eligible for participating in the REC scheme only after a period of three years has elapsed from the date of forgoing such benefits.

(2) The dispute, if any, on the question as to whether such concessional/promotional benefits were availed by a CGP or not shall be referred to the Commission and the decision of the Commission shall be final.”]

## **7. Consequence of default.-**

(1) If the obligated entity does not fulfill the RPO as provided in these regulations during any year or does not purchase the certificates as the case may be, the Commission may direct the obligated entity to deposit into a separate fund, to be created and maintained by the State Agency, such amount as the Commission may determine on the basis of the shortfall in units of RPO

and the forbearance price decided by the Central Commission. The penal charges will be equivalent to the forbearance price multiplied by shortfall in units of RPO:

Provided that the fund so created shall be utilized, as may be directed by the Commission, for purchase of the certificates:

Provided further that the Commission may empower an officer of the State Agency to procure from the Power Exchange the required number of certificates to the extent of the shortfall in the fulfillment of the obligations, out of the fund:

Provided also that the distribution licensee shall be in breach of his licence condition if he fails to deposit the amount as directed by the Commission within 15 days of the communication of the direction.

- (2) Where any obligated entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources or to purchase the renewable energy certificates, it shall also be liable for penalty as may be decided by the Commission under section 142 of the Act:

Provided that in case of bonafide difficulty in complying with the renewable purchase obligation owing to non-availability of certificates, the obligated entity can approach the Commission requesting permission to carry forward of compliance requirement to the next year.

#### **8. Power to remove difficulties.-**

- (1) The Commission shall suo-motu or on an application from any person generating electricity from renewable sources or an entity mandated under

clause (e) of sub-section (1) of section 86 of the Act to fulfil the renewable purchase obligation may review, add, amend or alter these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these regulations.

**TAMIL NADU ELECTRICITY REGULATORY COMMISSION  
State Advisory Committee Regulations, 2004**

Principal Regulation and Amendments:-

- (1) Notification No.TNERC/SACR/2/2 dated 8.1.2004
- (2) Notification No.TNERC/SACR/2-8 dated 3.1.2008
- (3) Notification No.TNERC/SACR/2-29 dated 2.9.2011
- (4) Notification No.TNERC/SACR/2-33 dated 5.7.2012
- (5) Notification No.TNERC/SACR/2-34 dated 11.6.2012

In exercise of the powers conferred on it by sub-section (1) of section 87 of the Electricity Act 2003 (Act No 36 of 2003) and all powers enabling it in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following Regulations. These regulations supersede "Tamil Nadu Electricity Regulatory Commission- State Advisory Committee Regulations, 2002" published in Notification No.TNERC / SACR /2/1 dated 5.7.2002 in the Gazette dated July 17, 2002 of Government of Tamil Nadu.

- |   |  |                                 |
|---|--|---------------------------------|
| 1 | <p>(1) These Regulations may be called the "TAMIL NADU ELECTRICITY REGULATORY COMMISSION - STATE ADVISORY COMMITTEE REGULATIONS, 2004".</p> <p>(2)These Regulations shall be deemed to have come into force on the date of their publication in the Tamil Nadu Government Gazette.</p>   | Short title and<br>Commencement |
| 2 | <p>(1) In these Regulations, unless the context otherwise requires;</p> <p>(a) 'Act' means the Electricity Act 2003 (Act 36 of 2003)</p> <p>(b) 'Commission' means the Tamil Nadu Electricity Regulatory Commission</p> <p>(c) 'Chairperson' means the Chairperson of the Tamil Nadu Electricity Regulatory Commission</p> <p>(d) 'Member' means a Member of the Tamil Nadu Electricity Regulatory Commission</p> <p>(e) 'Secretary' means the Secretary of the Tamil Nadu</p> | Definitions                     |

Electricity Regulatory Commission

(f) 'Officer' means an Officer of the Commission

(g) 'Committee' means the State Advisory Committee  
established by the Tamil Nadu Electricity  
Regulatory Commission

(2) Words or expressions occurring in these Regulations and  
not defined herein but defined in the Electricity Act 2003 shall  
bear the same meaning assigned to them in that Act

3 The Commission may, by notification, establish with effect from  
such date, a Committee to be known as 'TNERC State Advisory  
Committee '

Formation of an  
Advisory Committee

4 Section 87 (2) of the Act, which pertains to the members of  
the Committee reads as "The State Advisory Committee shall consist  
of not more than twenty one members to represent the interests of  
commerce, industry, transport, agriculture, labour, consumers, non-  
governmental organisations and academic and research bodies in  
the electricity sector"

Members of the  
Committee

5 Pertaining to the Chairperson and ex officio members of the  
Committee, section 87(3) of the Act reads as " The Chairperson of  
the State Commission shall be the ex officio Chairperson of the State  
Advisory Committee and the Members of the State Commission and  
the Secretary to State Government in charge of the Ministry or  
Department dealing with Consumer Affairs and Public Distribution  
System shall be the ex officio Members of the Committee."

Chairperson and Ex-  
officio Members

6 The Commission shall appoint the candidates to serve on the  
Committee, after consultation with the individuals/ representative  
organisations / bodies of such interest groups. The Commission may  
choose to limit the number of members to be nominated in each  
sector, depending upon the important relationship, the concerned  
sector bears with the electricity industry. The Commission may also

Selection and  
appointment of  
Advisory Committee  
Members

nominate members from other stakeholders in electricity, over and above the interested sectors indicated in section 87(2) of the Act but not exceeding the total number of members which is twenty one.

7 Members of the Committee shall be nominated for a maximum period of three years term and one third of the members shall retire annually. The Commission shall have the power to re-nominate any member on expiry of his/ her term.

Term of office for the  
nominated Members  
of the Advisory  
Committee

8 The Commission may from time to time invite persons with expertise in specific areas to attend the State Advisory Committee Meeting as a special Invitee and

Special Invitees to the  
Advisory Committee  
Meeting

9 The Secretary of the Commission shall also be the Secretary of the Committee. He shall not be eligible for any extra remuneration on account of this additional work.

Secretary of the  
Advisory Committee

10 The objects of the State Advisory Committee as envisaged in section 88 of the Act "shall be to advise the Commission on:

Objects of the  
Advisory Committee

- (a) major questions of policy
- (b) matters relating to quality, continuity and extent of service provided by the licensees;
- (c) compliance by licensees with the conditions and requirements of their licence;
- (d) protection of consumer interest;
- (e) energy supply and overall economic and efficiency standards of performance by utilities.

11 The conduct of business by the Committee shall be regulated on the basis of the following:

Conduct of the  
business by the  
Advisory Committee

(1) It shall be the duty of the Secretary to convene meetings of the Committee and to give the committee members thereof not less than

14 days notice in writing of the date, time and place of the proposed meeting. If considered necessary, Chairman may reduce the period of notice to transact any urgent business. The notice will also contain the agenda and connected papers, if any, of the meeting.

(2) The members can write to the Secretary, indicating through a brief note, any relevant subject (as referred in Regulation 9 above) for inclusion in the agenda of the subsequent meeting.

(3) The Chairperson of the Committee shall preside at every meeting of the Committee. In his absence, the senior most Member of the Commission shall act as the Chairperson of the meeting.

(4) All meetings of the Committee shall be held at the office premises of the Commission at Chennai, unless the Commission otherwise notifies.

(5) The discussions in the meeting and consequent conclusions, if any, taken at the meeting shall strictly follow the agenda only, scheduled for the meeting. Only the Chairperson can bring in additional subjects to the agenda at the end of the meeting.

<sup>1</sup>(6) The Commission shall convene a meeting of the State Advisory Committee, as and when required, to discuss and advise the Commission on any of the matters specified in section 68 of the Electricity Act 2003 (Central Act 36 of 2003) after giving notice to all members as provided in sub-regulation (1) at the venue and time as it thinks convenient

(7) A notice shall be deemed duly issued if it is sent, by post or by messenger, within the prescribed time to the registered address of a member.

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<sup>1</sup>Substituted as per *Commission's Notification No. TNERC/SACR/2-34 dated 11.6.2012* which before substitution stood as "The Committee shall meet at least once in every three months".



<sup>1</sup>(8) A member of the Committee other than ex-officio member of the Committee who fails to attend three consecutive meetings of the Committee shall forthwith cease to be a member of the committee, irrespective of whether leave of absence was granted or not

(9) The proceedings of every meeting of the Committee shall be recorded in a minute book kept for the purpose and shall be signed by the Chairperson of the meeting. This will be read along with a note on the action taken by the Commission in the next meeting for the information of the members.

(10) The quorum for a meeting of the Committee shall be six. If there is no quorum, the Chairperson may adjourn the meeting. No further notice need be given for an adjourned meeting and no quorum is also necessary for the adjourned meeting. If at any time after a meeting is commenced, a quorum ceases to exist, the meeting shall not be dissolved but shall continue.

(11) No matter shall be considered at an adjourned meeting other than matters remaining from the meeting at which the adjournment took place, provided that, with or without notice, the Chairperson may bring, or direct to be brought, any new matter which in his opinion is urgent, before an adjourned meeting of the Advisory Committee.

(12) No proceedings of the Committee shall be invalid by reason solely of vacancies existing in the Committee, or by reason of non-receipt of the notice or the agenda paper, provided the notice and agenda were duly issued, or by reason of any irregularity in the conduct of the business of the meeting.

(13) The Chairperson, during any meeting, may direct any member of the Committee whose conduct at the meeting is, in the Chairperson's opinion, disorderly, to withdraw. Any such member so ordered shall be deemed to have withdrawn from the meeting, whether or not he physically withdraws.

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<sup>1</sup>Substituted as per *Commission's Notification No.TNERC/SACR/2-29 dated 2.9.2011* which before substitution stood as

*"A member who fails to attend three consecutive meetings of the Committee shall forthwith cease to be a member of the Committee"*

(14) In cases not expressly provided for in these guidelines for the conduct of meetings, the decision of the presiding Chairperson on all matters relating to the conduct of business during the meeting shall be final.

12 (1) A member of the Committee shall not be entitled to any remuneration other than that provided in these regulations.

(2) A sitting fee of Rs 1000/- per meeting shall be payable to all the members of the committee except the ex-officio members

(3) A member of the Committee who is a Government servant or an employee of any Public Sector Undertaking shall draw travelling and daily allowances on the scale admissible to him from his parent organisation. The sitting fee alone shall be paid by the Commission.

<sup>1</sup>(4)(i) For the members others than those who are governed by sub-regulation (3) above, the payment of daily allowance shall be at the rates specified by the Commission from time to time which may also be indicated in their appointment orders.

The payment of Travelling Allowance shall be as follows:-

(ii) For the member who reside outside Chennai 2<sup>nd</sup> Air-conditioned class train fare from the nearest Railway Station of the place where he normally resides and Chennai and back shall be reimbursed by the Commission towards the Travelling Allowance.

Fees and  
Travelling allowances  
for the Committee  
Members

Resignation

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<sup>1</sup>Substituted as per *Commission's Notification* No.TNERC/SACR/2-33 dated 5.7.2012 which before substitution stood as

*"For the members who are not covered as in (3) above, payment of other incidental expenses including TA & DA shall be at the rates specified by the Commission from time to time which may also be indicated in their appointment orders".*

1[(5) The Commission shall reimburse accommodation charges, subject to a maximum of Rs.2000/- (Rupees two thousand only) per day of the meeting to the members who reside outside Chennai & attend the meeting of the State Advisory Committee convened at Chennai, on production of the hotel or lodge bill.

13 Any member of the Committee may, by writing under his hand, addressed to the Secretary of the Commission, resign his office as member of the Committee. The Commission shall take appropriate action to nominate an alternative member.

Resignation

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1 Inserted vide Commission Notification No.TNERC/SACR/2-37, dated 4.10.2013(w.e.f 23.10.2013)

## **TAMIL NADU ELECTRICITY SUPPLY CODE**

**(Consolidated upto 31-05-2015)**

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:—

- (1) The Tamil Nadu Electricity Supply Code (TNESC)  
(Notification No.TNERC/SC/7/1, dated 21-07-2004)
- (2) The Tamil Nadu Electricity Supply (Amendment) Code, 2005  
(Notification No.TNERC/SC/7-1, dated 22-11-2005)
- (3) The Tamil Nadu Electricity Supply (Amendment) Code, 2006  
(Notification No.TNERC/SC/7-2, dated 19-05-2006)
- (4) The Tamil Nadu Electricity Supply Code (Amending Regulation),  
(Notification No.TNERC/SC/7-2(1), dated 20-09-2006)
- (5) The Tamil Nadu Electricity Supply (Amendment) Code, 2007  
(Notification No.TNERC/SC/7-3, dated 10-04-2007)
- (6) The Tamil Nadu Electricity Supply (Amendment) Code, 2007  
(Notification No.TNERC/SC/7-4, dated 25-05-2007)
- (7) The Tamil Nadu Electricity Supply (Second Amendment) Code, 2007  
(Notification No.TNERC/SC/7-5, dated 23-08-2007)
- (8) The Tamil Nadu Electricity Supply Code, Distribution Code and  
Standard of Performance (Amendment) Regulations, 2007  
(Notification No.TNERC/SC/7-6, dated 03-12-2007)
- (9) The Tamil Nadu Electricity Supply (Second Amendment) Code, 2007  
(Notification No.TNERC/SC/7-7, dated 14-12-2007)
- (10) The Tamil Nadu Electricity Supply (Second Amendment) Code,  
2008 (Notification No.TNERC/SC/7-8, dated 06-06-2008)
- (11) The Tamil Nadu Electricity Supply Code (TNESC)  
(Notification No.TNERC/SC/7-9, dated 31-07-2008)
- (12) The Tamil Nadu Electricity Supply (Amendment) Code, 2008  
(Notification No.TNERC/SC/7-10, dated 31-07-2008)
- (13) The Tamil Nadu Electricity Supply (Amendment) Code, 2008  
(Notification No.TNERC/SC/7-11, dated 15-12-2008)
- (14) The Tamil Nadu Electricity Supply (Amendment) Code, 2009  
(Notification No.TNERC/SC/7-12, dated 27-02-2009)
- (15) The Tamil Nadu Electricity Supply (Amendment) Code, 2009  
(Notification No.TNERC/SC/7-13, dated 15-06-2009)
- (16) The Tamil Nadu Electricity Supply (Amendment) Code, 2009  
(Notification No.TNERC/SC/7-14, dated 29-06-2009)
- (17) The Tamil Nadu Electricity Supply (Amendment) Code, 2009  
(Notification No.TNERC/SC/7-15, dated 09-10-2009)
- (18) The Tamil Nadu Electricity Supply (Amendment) Code, 2009  
(Notification No.TNERC/SC/7-16, dated 29-12-2009)

- (19) Tamil Nadu Electricity Supply Code (as amended upto 31-12-2009) (Notification No.TNERC/SC/7-17, dated 20-01-2010)
- (20) Tamil Nadu Electricity Supply Code (Notification No.SC/7-18 Dt. 03-05-2010 (Errata to Notification SC/7-14 Dt. 29-06-2009 in Tamil Version)
- (21) Tamil Nadu Electricity Supply Code (Amendment) 2010 (Notification No.TNERC/SC/7-19, dated 06-05-2010)
- (22) Tamil Nadu Electricity Supply Code (Amendment) 2010 (Notification No.TNERC/SC/7-20, dated 30-06-2010)
- (23) Tamil Nadu Electricity Supply Code (Amendment) 2010 (Notification No.TNERC/SC/7-21, dated 25-10-2010)
- (24) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-22, dated 21-02-2011)
- (25) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-23, dated 14-3-2011)
- (26) Tamil Nadu Electricity Supply Code (as Amended upto 31-12-2010) (Notification No.TNERC/SC/7-24, dated 18-3-2011)
- (27) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-25, dated 18-3-2011)
- (28) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-27, dated 27-5-2011)
- (29) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-28, dated 5-9-2011)
- (30) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-29, dated 16-12-2011)
- (31) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-30, dated 17-02-2012)
- (32) Tamil Nadu Electricity Supply Code (Amendment) 2011 (Notification No.TNERC/SC/7-31, dated 29-11-2012)
- (33) Tamil Nadu Electricity Supply Code (Amendment) 2013 (Notification No.TNERC/SC/7-32, dated 12-09-2013)
- (34) Tamil Nadu Electricity Supply Code (Amendment) 2013 (Notification No.TNERC/SC/7-33, dated 23-09-2013)
- (35) Tamil Nadu Electricity Supply Code (Amendment) 2013 (Notification No. TNERC/SC/7-34, dated 25-11-2013.
- (36) Tamil Nadu Electricity Supply Code (Amendment) 2014 (Notification No .TNERC/SC/7-35, dated 03-06-2014)
- (37) Tamil Nadu Electricity Supply Code (Amendment) 2014 (Notification No. TNERC/SC/7-36, dated 06-08-2014.
- (38) Tamil Nadu Electricity Supply Code (Amendment) 2014 (Notification No. TNERC/SC/7-37, dated 03-12-2014.(Errata)
- (39) Tamil Nadu Electricity Supply Code (Amendment) 2015 (Notification No. TNERC/SC/7-38, dated 22-4-2015.

## **TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

### **TAMIL NADU ELECTRICITY SUPPLY CODE**

**Notification No.TNERC/SC/7/1 Dated 21-07-2004**

WHEREAS under the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify an Electricity Supply Code to provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply, tampering, distress or damage to electrical plant, electric lines or meter, entry of distribution Licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plant or meter;

AND WHEREAS the regulations providing for, among others, the Electricity Supply Code shall be subject to the condition of previous publication; and has accordingly undergone previous publication;

NOW, THEREFORE, under section 50 of the said Electricity Act, 2003, read with section 181 thereof and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby specifies the following Code.

#### **CHAPTER 1: PRELIMINARY**

##### **1. Short title and commencement**

(1) This Code may be called the **Tamil Nadu Electricity Supply Code (TNESC)**.

(2) It shall come into force on the date of publication of this Code in the *Tamil Nadu Government Gazette*.

##### **2. Definitions**

In this Code, unless the context otherwise requires:

(a) “**Act**” means the Electricity Act 2003 (Act No. 36 of 2003)

<sup>1</sup> [(aa) “**Board**” means, a State Electricity Board, constituted before the commencement of the Act, under sub- section (1) of section 5 of the Electricity (Supply) Act, 1948 (54 of 1948).]

(b) “**Code**” means the Tamil Nadu Electricity Supply Code.

(c) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission.

(d) “**Connected Load**” means the aggregate of the manufacturer’s rating of all equipments connected to the consumer’s installation and of all portable equipments and also the capacity of the power source required to test manufactured products and repaired equipment in the installation.

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<sup>1</sup>. Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-06-2007)**

*Explanation.*— Where the rating is in terms of KVA, it shall be converted to KW by multiplying it by a power factor of 0.9 and where the rating is in terms of HP, it shall be converted to KW by multiplying it by a factor of 0.746.

(e) “**Contracted Load**” means the load specified in the agreement between the consumer and the Licensee engaged in the business of supplying electricity to him.

(f) “**Contracted Demand**” means the demand specified in the agreement between the consumer and the Licensee engaged in the business of supplying electricity to him.

(g) “**Consumer**” means any person who is supplied with electricity for his own use by a Licensee, the Govt. or by any other person engaged in the business of supplying electricity to the public under the Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a Licensee, the Govt. or such other person, as the case may be;

(h) “**Consumer Meter Card**” means a card provided at the low tension consumer’s premises for the purpose of recording the measurements relating to consumption of electricity and the charges for electricity consumed and other related charges. It shall also serve the purpose of a notice to the consumer of the due dates for payment and notice period for disconnection.

<sup>1</sup>[(hh) “distribution licensee” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.]

<sup>2</sup>[(i) “Engineer” means an engineer, by whatever name designated, employed by the licensee and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code.”]

(j) “**Extra High Tension (EHT) consumer**” means a consumer who obtains supply from the Licensee at Extra High Voltage.

(k) “**High Tension (HT) consumer**” means a consumer who obtains supply from the Licensee at High Voltage.

(l) “**Low Tension (LT) consumer**” means a consumer who obtains supply from the Licensee at Low or Medium Voltage.

(m) “**Load**” means connected load or contracted load, as the case may be.

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<sup>1</sup>.Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w.e.f. **13-06-2007**)

<sup>2</sup>.Substituted as per Commission’s Notification **No.TNERC/SC/7-4, dated 25.5.2007 (w.e.f.13.6.2007)** which before substitution stood as under:

“Engineer” means an engineer, by whatever name designated, employed by the Licensee possessing such qualifications as are approved by the Commission and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code”.

(n) **“Load Factor”** means the ratio of the Average Demand for the month in terms of Kilowatts to the Maximum Demand for the month in terms of Kilowatts and the ‘Load Factor’ shall be calculated to three decimal places and rounded off to two decimal places.

(o) **“Month”** “unless the context otherwise requires, shall mean a month reckoned according to the British Calendar. With reference to billing and payment, it shall mean the period between the date of meter reading in a particular month and the corresponding date of meter reading of the immediately succeeding or preceding month as the context requires.

(p) **“Occupier”** means the person in occupation (whether as owner or otherwise) of the premises where electricity is used or intended to be used;

<sup>1</sup>[(pp) **“Person”** shall include any company or body Corporate or association or body of individuals, whether incorporated or not, or artificial juridical person.]

(q) **“Power Factor”** means the ratio of the real power to the apparent power and average power factor means the ratio of the Kilowatt-hours to the Kilovolt-ampere-hours consumed during the billing month.

(r) **“State Transmission Utility”** means the Board or the Government Company specified as such by the State Government

(s) **“Supply”**, in relation to electricity, means the sale of electricity to a Licensee or consumer.

Words and expressions used in this Code but not defined either in this Code or the Act or the General Clauses Act 1897 (Central Act 10 of 1897) shall have the same meanings as understood in the Engineering and Commercial circles

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<sup>1</sup>. Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w.e.f. 13-6-2007)



## CHAPTER 2: ELECTRICITY CHARGES- BILLING AND RECOVERY

### “3. Categories of supply

<sup>1</sup>[(1) Supply of electricity available to the consumer is of the following categories:

(a) Single-phase 2 wire 240 volts between phase and neutral for supply to a total connected load not exceeding 4000 watts (including power loads) ;

(b) Three-phase 4 wire 415 volts between phases and 240 volts between phase and neutral for supply to a total connected loads exceeding 4000 watts but not exceeding a demand of 112 KW;

(c) The consumer may elect to avail supply under any one of the above categories where the connected load does not exceed 4000 watts;

Explanation: If the connected load or demand of a LT consumer exceeds 50 kW, the consumer shall be provided with LTCT metering.

(d) Three-phase three wire supply at 11 kV or 22 kV depending on the voltage level existing in the area of supply shall be provided for a demand limit upto 3 MVA or 5 MVA as the case may be. However, the minimum demand shall be 63 kVA.

(e) The consumer shall be provided supply at 33 kV for a demand exceeding 3 MVA and upto 10 MVA if the area of supply is fed through 11 kV system and if the area of supply is fed through 22 kV system, supply at 33 kV shall be provided for a demand exceeding 5 MVA and upto 10 MVA ;

(f) The consumer shall be provided supply at 110 kV for a demand above 10 MVA and upto 50 MVA;

(g) The consumer shall be provided supply at 230 kV for a demand above 50 MVA.

(2) In case of existing service connection / installation not conforming to the provision mentioned in Sub-Regulation (1), conversion of such service connection/installation to higher /lower voltage may be carried out based on the mutual consent between the Distribution Licensee and the Consumer duly

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<sup>1</sup>. Substituted as per Commission's Notification No. TNERC/SC/7-30 dated 17.2.2012 w.e.f. 21.3.2012)

**“Supply of electricity available to the consumer is of the following categories:-**

**a. Single-phase 2 wire 240 volts between phase and neutral for supply to a total connected load not exceeding 4000 watts (including power loads).**

**b. Three-phase 4 wire 415 volts between phases and 240 volts between phase and neutral for supply to a total connected load exceeding 4000 watts but not exceeding a demand of 112 KW.**

**c. The consumer may elect to avail supply under any one of the above categories where the connected load does not exceed 4000 watts.**

**d. Three-phase 3 wire, 11,000 volts and above between phases for power installation exceeding a demand of 112 KW, the minimum demand however being 63 KVA.**

**e. The consumer shall avail supply at 33 kV and above when the demand is 5 MVA and above.”**

considering the capacities of the existing line/cable, transformer etc., and the cost-benefit analysis of such conversion.

<sup>1</sup>Explanation : For this purpose of this sub regulation, existing service connection means the service connection or additional demand to the existing service connection, effected on or before 21.3.2012, the date on which the sub regulation(2) came into force. ]

(3) If the consumer opts for higher levels of voltages for demands less than that specified, the consumer shall bear the extra expenses to be incurred by the licensee to provide supply at such higher voltages “]

<sup>4</sup>[ (4) *Notwithstanding anything contained in sub-regulation (1), where there is no 33 kV network in a specified area and the Distribution Licensee has to incur heavy expenditure to create the 33 kV network, the Chief Executive Officer of the Distribution Licensee may permit in specific cases to effect supply or additional load in 11/22 kV itself subject to technical feasibility. Such cases shall be recorded and communicated to the Commission. As and when 33 kV network is created in the area, such 11/22 kV supply shall be converted into 33 kV supply.”]*

#### **4. Charges recoverable by the Licensee-**

The charges, recoverable by the Licensee from the consumers are: -

(1)Tariff related charges, namely,—

(i) The price of electricity supplied by him to the consumer which shall be in accordance with the tariff rates as the Commission may fix from time to time, for HT supply, LT supply, and temporary supply and for different categories of consumers. <sup>3</sup>[ \*\*\*]. Where it is intended to use Floor polishing equipments, welding equipments for repairs/ maintenance and such other portable equipments temporarily in a premises having permanent supply, such use shall not be treated as temporary supply for purpose of levying charges. It shall be construed as regular consumption under the permanent supply tariff.

(ii) Demand charges for HT supply and fixed charges for LT supply shall be payable by the consumer in accordance with the rates as the Commission may fix from time to time for different categories of consumers.

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<sup>1</sup>. Inserted as per Commission's Notification No. **TNERC/SC/7-31, dated 29-11-2012 (w.e.f. 23-01-2013)**

<sup>2</sup>. The word “**temporary**” omitted as per Commission's Notification No.**TNERC/SC/7-4, dated 25-5-2007(w.e.f.13-06-2007)**

<sup>3</sup>. The expression “**In case the <sup>2</sup>[\*\*\*] supply is for construction of residential houses, housing complexes, the tariff shall be Commercial Tariff till the completion of construction and to be changed to appropriate tariff on completion.**” shall be omitted as per the Commission's Notification No.**TNERC/SC/7-33, dated 23-9-2013.(w.e.f.23-10-2013)**

<sup>4</sup>. Inserted as per Commission's Notification No.**TNERC/SC/7-34, dated 25-11-2013(w.e.f.18-12-2013)**

<sup>1</sup>[(iii) Disincentive for power factor

Every consumer shall maintain a power factor -

in case of LT supply, of 0.85 ; and

in case HT supply of 0.90

failing which he shall be liable to pay compensation by way of disincentive at such rates as the Commission may declare from time to time. ]

(iv) Additional charges for harmonics dumping

Where any equipment installed by a consumer generates harmonics, the consumer shall provide adequate harmonic suppression units to avoid dumping of harmonics into Licensee's distribution system and the Licensee is at liberty to provide suitable metering equipment to measure the harmonic level pursuant to such harmonic. Where the consumer fails to provide such units, he shall be liable to pay compensation at such rates as the Commission may declare from time to time.

(v) The tax or duty, if any, on electricity supplied or consumed as may be levied by the State Government which shall be credited to the Government account as per the directions received from Government from time to time.

(vi) At the time of extension of period of temporary supply, it shall be ensured that the advance current consumption (CC) charges are adequate. The CC charges shall be adjusted against the advance CC charges.

<sup>2</sup>[(2) Miscellaneous charges, namely,—

- (i) Capacitor Compensation charge;
- (ii) Excess demand charge;

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*1 Substituted as per Commission's Notification No. TNERC/SC/7-21, dated 25-10-2010 (w.e.f. 1-08-2010) which before substitution stood as under :*

*"(iii) Disincentive for power factor*

*Every consumer shall maintain a power factor-*

*In case of LT supply, of 0.85 lag and*

*In case HT supply, of 0.90 lag*

*failing which he shall be liable to pay compensation by way of disincentive at such rates as the Commission may declare from time to time. Likewise, the consumer who maintains the power factor above a specified level may be rewarded by way of incentive at such rates as the Commission may declare from time to time which shall be adjusted in the bill."*

*2. Substituted as per Commission's Notification No. TN RC/SC/7-36, dated 01-07-2014 (w.e.f. 06-08-2014) which before substitution stood as under :*

*Miscellaneous charges, namely,—*

- (i) Capacitor Compensation charge;*
- (ii) Excess demand charge;*
- (iii) Excess contracted load charge*
- (iv) Belated payment surcharge*
- (v) Additional security Deposit, when so called upon;*
- (vi) Service / Line shifting charge*
- (vii) Name transfer charge*
- (viii) Reconnection charge*
- (ix) Consumer meter card replacement charge*
- (x) Dishonoured cheque service charge*
- (xi) Meter related charges*
- (xii) Application Registration Charge*
- 1[(xiii) Service Connection Charges]*

*2[(xiv) Excess demand and excess energy charges during Restriction and Control of supply]*

- (iii) Excess contracted load charge
- (iv) Belated Payment Surcharge
- (v) Additional Security Deposit, when so called upon
- (vi) Service/line/structure/equipments shifting charges
  - a) Charges for dismantling temporarily or permanently
  - b) Charges for re-erection in case of temporary dismantling
- (vii) Name transfer charge
- (viii) Reconnection charge
- (ix) Consumer meter card replacement charge
- (x) Dishonored cheque service charge
- (xi) Meter related charges
- (xii) Application Registration charge
- <sup>1</sup> [(xiii) Service connection charges]
- <sup>2</sup> [(xiv) Excess demand and excess energy charges during Restriction and Control of supply]
- (xv) Charges for restoration of cheque payment facility
- (xvi) Charges for testing of equipments/installations]

(3) Minimum charges where applicable

## 5. Miscellaneous charges

### (1) Capacitor Compensation charge

(a) No new LT service with a connected load of motors of 3 HP and above or for using welding transformers shall be given unless capacitors of adequate ratings with ISI marking are installed; <sup>3</sup> [The licensee shall specify appropriate capacitor ratings for different capacity motors / welding transformers].

(b) In the case of existing LT service connections <sup>4</sup> [(which are not coming under the purview of power factor disincentive scheme)] with connected load of motors of 3 HP and above or for using welding transformers (irrespective of their rating), the consumer shall install adequate capacitors within a period of two months <sup>5</sup> [(from the date of issue of notice issued by the licensee in this connection)] and shall be liable to pay a compensation charge of ten percent of the price of electricity supplied to him for the preceding four months of consumption till such time adequate capacitors are installed; and where inadequate capacitors are installed or where some of the capacitors are defective, the ten percent shall be reckoned proportionate to the extent of inadequacy or defect, as the case may be;

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<sup>1</sup>, <sup>3</sup> and <sup>5</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-05-2007 (w.e.f. 13-06-2007).**

<sup>2</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-11, dated 15-12-2008 (w.e.f. 28-11-2008) (Gazette publication dated 28-01-2009)**

<sup>4</sup> Substituted for the expression ("which are not coming under the purview of power factor incentive / disincentive scheme") as per Commission's Notification No. **TNERC/SC/7-21, dated 25-10-2010 (w.e.f. 1-08-2010)**

(c) Where it is found that the capacitors installed are either inadequate or defective, the Licensee shall, in addition to the levy and collection of capacitor compensation charges, by notice in writing, call upon the consumer to install adequate capacitors or to rectify or to replace the defective capacitors, as the case may be, within two months from the date of notice.

## **(2) Excess demand charge**

Whenever the consumer exceeds the sanctioned demand, excess demand charge shall be:—

- (i) In the case of HT supply, the maximum demand charges for any month shall be based on the KVA demand recorded in that month at the point of supply such percentage of sanctioned demand as may be declared by the Commission from time to time whichever is higher. The exceeded demand shall alone be charged at double the normal rate.

(ii) In case of LT supply,

(a) For Domestic and Agricultural category of service, the excess demand charges shall not be applicable.

<sup>1</sup>(b) For other categories of LT services with contracted demand equal to or less than 18.6 KW (25 HP), the excess demand charges shall not be applicable where the connected load is equal to or less than the contracted demand.

Note: For services with contracted demand less than or equal to 18.6 KW (25 HP), whenever the consumer's connected load exceeds the contracted demand, the licensee shall install meters with demand recording facility and bring the consumer under the scope of excess demand chargeable category. After installation of the meter, if the recorded demand is in excess of contracted demand, the existing demand, shall, after intimation to the consumer, be revised to the level of recorded demand and all relevant charges applicable for extension of additional demand shall be included in the next bill. No excess demand charge is leviable till such time the licensee installs meter with demand recording facility and bring the consumer under the scope of excess demand chargeable category.]

(c) For the remaining LT services other than those service connections covered in (a) and (b) above, when the contracted demand is in excess of 18.6KW (25HP) and for such of those consumers whose contracted demand is less than 18.6 KW (25HP) but opted for having meters with demand recording facility, the excess demand charges shall be -,

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<sup>1</sup>Substituted as per Commission's Notification No. TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007) which before substitution stood as under:

(b) For other categories of LT services where the contracted demand and connected load is equal to or less than 18.6 KW (25 HP), the excess demand charges shall not be applicable.

Note: 1. Even if a consumer's contracted demand is equal to or less than 18.6 KW (25 HP), or the connected load is more than the contracted demand but less than 18.6 KW (25 HP) as the case may be, the licensee shall install meters with demand recording facility and bring the consumer under the scope of excess demand chargeable category. After installation of the meter, if the recorded demand is in excess of contracted demand, the existing demand, shall, after intimation to the consumer, be revised to the level of recorded demand and all relevant charges applicable for extension of additional demand shall be included in the next bill. No excess demand charge is leviable till such time the licensee installs meter with demand recording facility and bring the consumer under the scope of excess demand chargeable category.

(I) Where the recorded demand does not exceed 112 KW, for every KW or part thereof in excess of the sanctioned demand, at the rate of 1% of the total energy charges;

<sup>1</sup>[(II) Where the recorded demand exceeds 112KW, for every KW or part thereof in excess of sanctioned demand:-

- at the rate of 1% of the charges for electricity supplied upto 112 kW

- and at the rate of 1.5% for every KW or part thereof over and above 112KW for the first two occurrences;

- and for the third occurrence, at the rate of 3% for every KW or part thereof over and above 112KW;

- and thereafter, that is the fourth and subsequent occurrences at the rate of 10% for every KW or part thereof over and above 112KW;]

(III) Where the recorded demand exceeds the sanctioned demand for the second and subsequent times,-

(A) In case the recorded demand has not exceeded 112 KW, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence to the level of recorded demand and all the relevant charges applicable to the additional load shall be included in the next bill ;

(B) In case the recorded demand has exceeded 112 KW,, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence, to the level of 112 KW and all relevant charges applicable to the additional load shall be included in the next bill; if, however, the recorded demand has exceeded 112 KW for the third or more number of times, it is open to the consumer to opt for HT service.

(iii) In the case of temporary supply, the excess demand charges shall be the difference between the minimum charges for temporary supply computed at the rate notified, for a back period of six months or date of supply whichever is lesser, and the corresponding current consumption charges already recovered from the consumer.

<sup>2</sup>[(iv) No addition or reduction of load in case of LT service and no addition or reduction of demand in case of HT service, may be sanctioned unless the outstanding dues in the same service connection had been paid.]

<sup>1</sup> Substituted as per Commission's Notification No **TNERC/SC/7-30, dated 17-02-2012** (w.e.f-21-03--2012) which before substitution stood as under :

**(II) where the recorded demand exceeds 112 KW, for every KW or part thereof in excess of sanctioned demand:-**

- **for the first two occurrences, at the rate of 1% of the charges for electricity supplied up to 112 KW;**

- **and 1.5% for every KW or part thereof over and above 112 KW,**

- **and thereafter, that is, the third and subsequent occurrences at the rate of three percent for every KW or part thereof over and above 112 KW.**

<sup>2</sup>.Inserted as per Commission's Notification No. **TNERC/SC/7-1, dated 22-11-2005** (w.e.f. 7-12-2005)

<sup>1</sup>[(v) In all the above cases, the cost of any modifications in the metering system which may arise due to addition / reduction of loads may be dealt with in accordance with the provisions of the Act and Codes/Regulations made thereon.]

### **(3) Excess Contracted load charge**

These charges are applicable to the subsidized category of Agricultural service connections, which need to be regulated with a view to-

(i) Comply with the contracted load until the cross subsidy from other sources are eliminated and a viable tariff is implemented for agricultural services.

(ii) Comply with the directives of Government towards restriction on exploitation of ground water for irrigation and environmental constraints.

Accordingly, special provisions have been made in this Code in relation to agricultural service connections as below and they shall remain in force until cross subsidy from other sources / categories are eliminated

(a) No electric motor shall be used in Agricultural service connections without its manufacturer's nameplate indicating its rating/capacity permanently affixed on it.

<sup>2</sup>[b If, at the time of effecting service connections under Agricultural category, it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer shall refuse to effect supply. If the intending consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, he may make an appeal to the next higher officer, furnishing certificate regarding capacity of motor issued by Government /Government Laboratory/any agency accredited/approved by Bureau of Energy Efficiency. The decision of the next higher officer shall be final and binding on the consumer.]

(c) If during periodical check or inspection of an existing Agriculture service connection by the Engineer, it is found that the name plate of any motor does not show the correct capacity of the motor or the name plate is missing or the rating of such motor as assessed by the Engineer authorized in this behalf is in excess of the rating noted in the Test Report, action shall be taken under this Code <sup>3</sup>[to recover the excess contracted load charges on the basis of the assessed capacity of the motor].

<sup>1</sup>. Inserted as per Commission's Notification No **TNERC/SC/7-30, dated 17-02-2012** (w.e.f. 21-03-2012)

<sup>2</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w.e.f. 13-6-2007) which before substitution stood as under:

**(b) If, at the time of effecting service connections under Agricultural category, it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer shall refuse to effect supply, if the intending consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, he may make an appeal to the next higher officer, furnishing certificate regarding capacity of motor issued by any agency acceptable to the Licensee. The decision of the next higher officer shall be final and binding on the consumer.**

<sup>3</sup>. Inserted as per Commission's Notification No **TNERC/SC/7-4, dated 25-5-2007** (w.e.f. 13-6-2007)

<sup>1</sup>[(d) If the existing consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, a letter may be issued to the consumer asking him to test the motor for its capacity at Government Laboratory or by any other agency accredited by Bureau of Energy Efficiency at the cost of the consumer and produce the test report of such Government Laboratory or agency to the officer concerned within two months from the date of issue of such letter. However, after producing such test report, the charges shall be adjusted to the certified load in the subsequent Consumption Charge bills.]

The excess contracted load charges for both metered and unmetered supply shall be sixty rupees per HP per month prospectively and as long as the excess contracted load remains connected.

#### **(4) Belated payment surcharge (BPSC)**

(i) All bills are to be paid in the case of HT consumers, within the due date specified in the bill and in the case of LT consumers, within the due date and notice period specified in the consumer meter card.

<sup>2</sup>[(ii) (a) Where any HT consumer neglects to pay any bill by the due date, he shall be liable to pay belated payment surcharge from the day following the due date for payment. Where any LT consumer (except services relating to Public lighting and water supply and other services belonging to Local Bodies) neglects to pay any bill by the last day of the notice period, he shall be liable to pay belated payment surcharge from the day following the last day of the notice period.

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<sup>1</sup>. Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w-e-f-13-6-2007) which before substitution stood as under:

**(d) If the existing consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, a letter may be issued to the consumer asking him to test the motor for its capacity at Government Laboratory or by any other agency acceptable to the Licensee at the cost of the consumer and produce the same to the officer concerned within two months from the date of issue of such letter.**

2. Substituted as per Commission's Notification No **TNERC/SC/7-7 dated 14-12-2007** (w-e-f-9-1-2008) which before substitution stood as under :

**(ii) Where any HT consumer neglects to pay any bill by the due date, he shall be liable to pay belated payment surcharge from the day following the due date for payment. Where any LT consumer neglects to pay any bill by the last day of the notice period, he shall be liable to pay belated payment surcharge from the day following the last day of the notice period. The surcharge shall be for a minimum period of fifteen days and where the delay exceeds fifteen days but does not exceed one month, it shall be for one whole month and where the delay exceeds one month, it shall be for the number of whole months and for any fraction of a month it shall be proportionate to the number of days.**



(b) Where the local bodies neglect / fail to pay any bills in respect of LT services for Public Lighting and Public Water Works, and other services of Local Bodies, the belated payment surcharge shall be applicable for the payments made beyond 60 days from the date of demand. In case of payment made beyond 60 days from the date of demand, the belated payment surcharge shall be payable from the day following the 60<sup>th</sup> day of demand.

(c) The surcharge shall be for a minimum period of fifteen days and where the delay exceeds fifteen days but does not exceed one month, it shall be for the number of whole months, and for any fraction of a month, it shall be proportionate to the number of days”.]

(iii) If the due date in the case of HT consumers and the last day of the notice period in the case of LT consumers falls on a holiday, the surcharge is payable from the day following the next working day.

<sup>1</sup>[<sup>2</sup>\*\*\*](iv) In the case of LT Consumers (except Local Bodies) the surcharge shall be 1.5% per month for the outstanding arrears towards the price of electricity supplied. In respect of LT services belonging to Local Bodies, the surcharge shall be 0.5% per month for the outstanding arrears towards the price of electricity supplied]

<sup>3</sup>[<sup>4</sup>\*\*\*]

(v) In the case of HT consumers except Local Bodies and Government

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-1, dated 22-11-2005** (w-e-f- **7-12-2005**) which before substitution stood as under :

**(iv) “In case of LT consumers the surcharge shall be 1.5% per month for the sum outstanding towards the price of electricity supplied.**

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-7, dated 14-12-2007** (w-e-f- **9-1-2008**) which before substitution stood as under :

**(iv) “In case of LT consumers (except Local Bodies and Government Departments) the surcharge shall be 1.5% per month for the sum outstanding towards the price of electricity. In case of Local Bodies and Government Departments, the surcharge shall be 1% per month for the sum outstanding towards the price of electricity.**

<sup>3</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-1, dated 22-11-2005** (w.e.f. **7-12-2005**) which before substitution stood as under :

**(iv) In the case of HT consumers the surcharge shall be 1.5% per month for the notice period. However, for the consumers who are availing of extension of time beyond the notice period, on an application to the Licensee, the BPSC shall be at 3% per month from the expiry of the due date allowed for payment for a full month irrespective of number of days delayed. Where no extension time is granted or the delay continues after the expiry of extended time, the surcharge shall be at 1.5% per month.**

<sup>4</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w-e-f- **13-6-2007**) which before substitution stood as under:

**(v) In case of HT consumers, the surcharge shall be 1.5% per month for the notice period. However, for the consumers who are availing of extension of time beyond the notice period upto the end of the due month, (on an application to the licensee) BPSC shall be 2% per month from the expiry of the due date allowed for payment of a full month irrespective of number of days delayed. When no extension of time is granted or the delay continues after the expiry of extended time, the surcharge shall be at 1.5% per month.**

Departments the surcharge shall be 1.5% per month for the notice period. In the case of Local Bodies and Government Departments, the surcharge shall be 1% per month for the notice period.

However for the consumers who are availing of extension of time beyond the notice period up to the end of the due month, on an application to the licensee, the BPSC shall be at 2% per month from the expiry of the due date allowed for payment, for a full month irrespective of the number of days delayed. When no extension of time is granted or the delay continues after the expiry of the extended time, the surcharge shall be at 1.5% per month].

(vi) In case of sums other than price of electricity supplied which are outstanding, surcharge shall be leviable at the discretion of the Licensee at a rate not exceeding 1.5 % per month.

(vii) In the case of short assessment included in a subsequent bill, surcharge shall accrue in the case of HT consumers, after the due date for the payment of the subsequent bill wherein the short assessment is included and in the case of LT consumers, it shall accrue from the day following the last day of the notice period.

(viii) In the case of short assessment permitted to be payable in installments, the surcharge shall accrue only when there is default in the payment schedule and the surcharge shall be worked out from the day following the day on which the installment fell due and shall be payable along with the amount of installment due.

(ix) Where the service connection stands terminated, the amount of Security Deposit and the interest accrued thereon shall first be adjusted against belated payment surcharge and the remainder if any, against other dues.

(x) The belated payment surcharge is payable only on any outstanding amount excluding belated payment surcharge component.

(xi) The belated payment surcharge shall not be levied on electricity tax and electricity tax shall not be levied on the belated payment surcharge.

<sup>1</sup>[Explanation: In this regulation and other regulations of this code, the reference to the expression 'HT Consumer' shall be deemed to include a reference to the expression 'EHT consumer' also].

#### **(5) Additional Security Deposit**

(i) The adequacy of security deposit may be reviewed and refixed once in a year in case of HT consumers and once in every two years in case of LT consumers taking into account the interest due for credit. Such reviews shall be made in the month of April/ May. The rate of interest on the security deposit shall be on the basis of the Commission's directive to the Licensees in this regard.

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

(ii) The adequacy of security deposit shall be based on the periodicity of billing for the respective category.

(a) For the categories of consumer under monthly billing, the Security Deposit is equivalent to two times of the monthly average of the electricity charges for the preceding twelve months prior to April.

(b) For the categories of consumer under bi-monthly billing, the Security Deposit is equivalent to three times of the monthly average of the electricity charges for the preceding twelve months.

(c) For the categories of consumer under half yearly billing, the security deposit is equivalent to seven times of the average charges per month.

<sup>1</sup>[(d) The security deposit in the above categories shall exclude incidental charges like operation and maintenance of lines/sub-stations of generators, charges for purchase of power from third parties, but shall be inclusive of all other charges specified by the Commission from time to time.]

(iii) Interest at Bank rate or more as specified by the Commission shall be calculated and credited to the Security Deposit accounts of the consumers at the beginning of every financial year i.e. April and the credit available including the interest shall be informed to each consumer before the end of June of every year.

<sup>2</sup>[(iv) If available deposit is less than the revised Security deposit, the balance shall be collected as Additional Security deposit. Intimation of such Additional Security Deposit shall be through a separate notice in the case of HT services and by a distinct entry in the consumer meter card or separate notice in the case of LT services. Thirty days' notice period shall be allowed for the payment. However on request by consumers, the Licensee is permitted to collect such Additional Security Deposit in three instalments commensurate with the billing cycle.]

(v) Where, on review, the amount of Security deposit held is found to be in excess of the requirement, the excess shall be adjusted against two future demands for the electricity supplied. Where, after such adjustment in future two demands, there is balance to be refunded, the refund shall be made by cheque before the due date for payment of the third demand.

(vi) In the event of the consumer failing to pay to the Licensee any sum that

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/SC/7-30, dated 17-02-2012** (w.e.f.21-3-2012)

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-20, dated 30-06-2010** (w.e.f. **30-06-2010**) which before substitution stood as under:  
“(iv) **If available deposit is less than the revised Security deposit, the balance shall be collected as Additional Security deposit either through a separate notice or by a distinct entry in the consumer meter card for LT services. Thirty days' notice period shall be allowed for the payment. If the payment is not received within the above period of thirty days, the service is liable for disconnection.**”

<sup>1</sup>[(vii). (a) For the consumers under monthly billing who are not the owners of the premises and are unable to produce the consent letter in Form 5 of Annexure III to the Distribution Code from the owner of the premises for availing supply, the Security Deposit shall be equivalent to four times of the monthly average of the electricity charges for the preceding twelve months prior to April ;

(b) For the consumers under bi-monthly billing who are not the owners of the premises and are unable to produce the consent letter in Form 5 of Annexure III to the Distribution Code from the owner of the premises for availing supply, the Security Deposit shall be equivalent to six times of the monthly average of the Electricity charges for the preceding twelve months prior to April ; and

(c) The provisions in (a) and (b) above shall be applicable to existing service connections when review of security deposit is undertaken. In regard to effecting of new service connections where the applicant is not the owner of the premises and is unable to produce consent letter in Form 5 of Annexure III to the Distribution Code from the owner of the premises for availing supply, collection of security deposit shall be governed by the orders on Non-Tariff related Miscellaneous charges of the Commission as amended from time to time and regulation 27(4) of Tamil Nadu Electricity Distribution Code. Such new consumers will be reviewed for adequacy of security deposit under (a) or (b) above, as the case may be.]

#### **(6)<sup>2</sup>[Service / line, structure and equipments shifting charge]**

<sup>5</sup>[(1) The cost of shifting service / line, Structure and equipments shall be borne by the consumer. The consumer shall pay the estimated cost of shifting in advance in full. The copy of the estimate shall be given to the consumer. The shifting work will be taken up only after the payment is made. The estimate will cover the following:

- (i) Materials dismantled in the old site and reusable shall be used in the new site as far as possible.
- (ii) 10% of the present value of the dismantled and reusable materials towards charge for dismantling and charges for loading, unloading, transport to the new site/store.

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<sup>1</sup>. Inserted as per Commission's Notification No. **TNERC/SC/7-29, dated 16-12-2011 (w.e.f. 4-1-2012)**

<sup>2</sup>. Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)** which before substitution stood as under:  
**Service /Line shifting charge.**

<sup>3</sup>. Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f.13-6-2007).**

<sup>4</sup>. Substituted for the expression **re-erection** as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

(1) The cost of shifting service / line, <sup>3</sup>[Structure and equipments] shall be borne by the consumer. The consumer shall pay the estimated cost of shifting in advance in full. The shifting work will be taken up only after the payment is made.

<sup>5</sup>. Substituted as per Commission's Notification No. **TNERC/SC/7-36, dated 01-07-2014(w.e.f. 06-08-2014)** which before substitution stood as under"

(1) **The cost of shifting service/line, 3[Structure and equipments] shall be borne by the consumer. The consumer shall pay the estimated cost of shifting in advance in full. The shifting work will be taken up only after the payment is made.**

**The estimate will cover the following:—**

- i. **Charges for dismantling at the old site.**
- ii. **Charges for transport from the old site to the new site.**
- iii. **Charges for 4[erection] at the new site.**
- iv. **Depreciation on retrievable old materials, if any, not re-used at the site.**
- v. **Cost of new materials, if required 6[including transport]**
- vi. **Cost of irretrievable materials.**
- vii. **Overhead charges.**

- (iii) Cost of the new materials required for the shifting work.
- (iv) Add 5% of the cost of new materials towards loading, unloading and transport to new site.
- (v) Add 10% of the present value of all the materials to be erected in the new site towards erection charges.
- (vi) 5% of the present value of retrievable scrap materials towards transport charges.
- (vii) Due credit shall be given to the consumer /applicant as below but however limited to the total estimated cost of new work:
  - (a) Book value /written down value subject to a minimum of 20% of the cost of retrievable and reusable materials but not used in the new site.
  - (b) Scrap value on the retrievable but not reusable materials at not less than 10% of its original value.
- (viii) After completion of the work a revised estimate shall be prepared with a copy to the consumer based on the actual cost of materials, loading, unloading, transport and erection charges. If the original estimate cost is more than the revised estimate, the balance shall be refunded to the applicant/consumer within 3 months. If the original estimate cost is less than the revised estimate, the difference shall be collected from the applicant/consumer. ]

(2) Temporary dismantling and re-erection or shifting of a service connection within the same premises necessitated due to remodeling of premises will be carried out on payment of the required charges for the same.

(3) Shifting of an existing service connection involving change in door number or sub-door number or survey field number, shall be considered as a new service connection only.

No shifting of an existing service connection is permissible unless all arrears in the service connection are paid, if so demanded by the Licensee.

#### **(7) Name Transfer charge**

<sup>1</sup>[(i)] Every application for transfer of name consequent to the death of the consumer shall be in Form (1) <sup>2</sup>[in Appendix to this code] accompanied by :

(a) Legal heirship certificate from the Tahsildar concerned or proof of ownership such as local body tax receipts (latest).

(b) No objection certificate from other legal heirs, if any, (or) an indemnity bond in Form (3) in Appendix to this Code on non-judicial stamp paper for a value of Rs.80/- and a sworn-in affidavit and authenticated by a Notary Public or by a gazetted officer to show the status of other legal heirs.

(c) Fresh application with fee to be specified by the Commission and agreement form.

<sup>3</sup>[(ii)] Every application for transfer of name, in other cases, shall be in Forms (1) and (2) in Appendix to this Code accompanied by-

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<sup>1</sup> and <sup>2</sup>. *Inserted as per Commission's Notification No. TNERC/SC/7-4, dated 25-5-2007 (w-e-f-13-6-2007).*

<sup>3</sup> and <sup>4</sup> *Inserted as per Commission's Notification No. TNERC/SC/7-4, dated 25-5-2007 (w-e-f-13-6-2007).*

a) The document supporting the transfer with an undertaking in Form (4) in Appendix to this Code

(b) Consent letter from the consumer for the transfer of the Security Deposit <sup>4</sup>[if it is not included in the document supporting the transfer].

(c) Fresh application with fee to be specified by the Commission and agreement form.

Explanation: The name transfer is effected only for such services which are not under disconnection.

**(8) Reconnection Charge:** The Licensee shall collect reconnection charge from LT/HT consumers at the rates specified by the Commission from time to time.

**(9) Consumer Meter Card Replacement Charge:** The Licensee shall collect charges at the rate specified by the Commission for replacement of consumer meter card if lost or damaged. Wherever the space in the card is used up, the replacement shall be free of cost.

**(10) Dishonoured cheque service charge:** The Licensee shall collect service charges as specified by the Commission from time to time from the consumer, when a Cheque given by consumer is returned by the Bank for any reason whatsoever.

**(11) Meter Related Charges:** Meter rental charges shall be payable by the consumer, unless the consumer elects to purchase a meter, in accordance with the rates as the Commission may fix from time to time for different categories of consumers. The Licensee shall, besides meter rent where payable, collect charges towards changing of meters and boards, testing of meters, testing of installations, inspection charges etc., at the rates specified by the Commission from time to time.

**<sup>1</sup>[(12) Application Registration Charge]**

The Licensee shall collect registration charges from LT/HT consumers for the following, at the rates specified by the Commission from time to time.

- (a) Application for new HT/LT services.
- (b) Application for addition/reduction of demand/load in respect of HT and LT Services.
- (c) Application for temporary service.
- (d) Application for conversion of a service from LT to HT and vice versa.
- (e) Application for shifting of HT/LT services.
- (f) Application for shifting of lines/structures/ equipments under Deposit Contribution Works for LT/HT.
- (g) Application for change of tariff.
- (h) Application for replacement of defective meters.]

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1. Substituted as per Commission's Notification No. TNERC/SC/7-36, dated 01-07-2014 (w-e-f-6-8-2014). before substitution stood as under:

**(12) Application Registration Charge]**

*The Licensee shall collect registration charges from LT/HT consumers for the following at the rates specified by the Commission from time to time.*

- (a) Application Registration charge at the appropriate rates for conversion of a service from LT to HT and vice versa and also wherever the consumers apply for additional loads both for HT and LT services.*
- (b) Applications for reduction of demand/load in respect of HT and LT services.*
- (c) Application for shifting of HT/LT Services*
- (d) Application for street light services.*
- (e) Replacement due to accident for poles broken etc., due to dashing of vehicle or any accident under Deposit Contribution Works(DCW).*
- (f) Shifting of line and deviation of line under Deposit Contribution Works.*
- (g) Application for temporary supply.*

<sup>1</sup>[(13) **Excess demand charge and excess energy charge during Restriction and Control of supply :**

(i) The maximum demand charges for HT supply shall be based on the actual recorded demand at the point of supply or at 90% of the demand quota as fixed from time to time through restriction and control measures whichever is higher. In case the maximum recorded demand is in excess of the quota fixed, the demand in excess of the quota fixed shall be charged at rates specified by the Commission from time to time.

(ii) The energy consumption over and above the energy quota fixed shall be charged at the rates specified by the Commission from time to time in respect of such class of consumers upon whom the restriction and control measures apply.

(i) The services which draw electricity from TNEB Grid for using welding sets during the restricted hours shall be charged at the rates specified by the Commission from time to time.]

**6. Minimum Charges**

The consumer shall pay to the Licensee <sup>2</sup>[minimum charges] in respect of every connection as detailed below. The minimum monthly charges are payable even when no electricity was consumed or supply disconnected by orders of Court or when the price of electricity supplied is less than the minimum charges.

(a) For the H.T. services disconnected as per Licensee's right to disconnect supply, the following monthly minimum charges based on the KVA demand shall be collected.

(i) If the disconnection is for the full month then 20% of the sanctioned demand.

(ii) If the disconnection is for part of a month, the actual recorded demand or such percentage of sanctioned demand as declared by the Commission whichever is higher.

(b) For the H.T services disconnected on the request of the consumer, the monthly minimum charges based on the KVA demand shall be the actual recorded demand ( when the disconnection is for part of a month) or such percentage of sanctioned demand declared by the Commission whichever is higher :

<sup>3</sup>["Provided that where the Licensee is prevented from supplying electricity owing to cyclone, floods, storms, fire, strike or lockout in the Licensees' establishment or other occurrences beyond the control of the Licensee, or if the consumer is prevented from consuming electricity either in whole or in part for similar reasons, the Licensee may recover from the consumer a minimum charge

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/SC/7-11, dated 15-12-2008 (w.e.f. 28-11-2008) (Gazette publication dated 28-01-2009)**

<sup>2</sup>Substituted for the expression "a minimum charge" as per Commission's Notification No. **TNERC / SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

<sup>3</sup>Substituted as follows as per the Commission's Notification No. **TNERC/SC/7-32, dated 12-9-2013.(Gazette publication dated 23-10-2013)**

**Provided that where the Licensee is prevented from supplying electricity owing to cyclone, floods, storms, fire, strike or lockout in the Licensees' establishment or other occurrences beyond the control of the Licensee, or if the Licensee is satisfied that the consumer has been prevented from consuming electricity either in whole or in part for similar reasons, the Licensee may recover from the consumer <sup>2</sup>[minimum charges] at twenty per cent of the billable demand or recorded demand whichever is higher besides charges for the actual consumption of electricity :**

at twenty percent of the contracted demand or recorded demand whichever is higher besides charges for the actual consumption of electricity”.]

Provided further that where the consumer has been prevented from consuming electricity.—

(i) the consumer shall produce a certificate from the Labour Officer to that effect, indicating the period of lockout or strike or temporary closure and the date on which it was called off.

(ii) the consumer shall give prompt intimation of the commencement of the lockout or strike so that the Maximum Demand meter can be reset. In the case of temporary closure, the consumer shall give intimation of the closure. The consumer shall give intimation to the Licensee immediately after lifting of the strike, lockout or temporary closure.

Provided also that, in the case of steel industries having more than one electric furnace in a HT service and when one or more electric furnaces are under total strike / closure, then the benefit of billing on the actual recorded demand or the percentage as may be notified by the Commission from time to time of the sanctioned demand less the KVA load of the furnaces under total strike or closure whichever is higher shall be given. This provision is not applicable when there is lockout.

(c) for the LT services disconnected as per the Licensee's right to disconnect the supply or at the request of the consumer to disconnect supply, the monthly minimum charges shall be recovered by the Licensee till the agreement is terminated.

## **7. Installation of Meter**

(1) Sub-section (1) of section 55 of the Act provides for the use of meters and reads as “No Licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Authority:

Provided that the Licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:

Provided further that the State Commission may, by notification, extend the said period of two years for a class or classes of persons or for such area as may be specified in the notification”

<sup>1</sup>[(2) All new service connections shall be extended with meters only. For all new LT service connections, the Licensee shall install meters with demand recording facility.]

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*1.Substituted as per Commission's Notification No. TNERC/SC/7-36, dated 01-07-2014 (w-e-f-6-8-2014)which before substitution stood as under:*

*(2) All new service connections shall be extended with meters only. For all new LT service connections other than domestic and agricultural category, when the contracted demand is in excess of 18.6 KW (25 HP), the Licensee shall install meters with demand recording facility. For existing services, when the contracted demand is in excess of 18.6 KW (25 HP), this facility will have to be extended by the Licensee to enable implementation of excess demand charges as per regulation 5(2) of this Code.*



(3) Unless the consumer elects to purchase his own meter, the Licensee shall provide meter of high quality, high precision and accuracy and may require the consumer to give adequate security for the price of the meter and pay the hire charges therefor. Where the consumer elects to purchase his own meter, the Licensee shall ensure that such meter is of high quality, high precision and accuracy and shall arrange to recalibrate the same at consumer cost.

<sup>1</sup>[(3A) In case of open access consumer, ABT compliant meter with facilities to record export and import of energy shall be provided both at the generator and consumer ends in accordance with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006.]

(4) The meter shall ordinarily be installed at the point of entry to the consumer's premises at a suitable and easily accessible place as the Engineer may decide. After installation, the security seals shall be affixed in the presence of the consumer or his representative on the meter box cover, current transformer chamber, terminal cover of the meter, test block, cut outs, air-break switch and gate and such other part of the installation as the Licensee may decide. The consumer shall be responsible to ensure that the meter and the seals are not stolen, damaged or tampered with. The consumer shall run his wiring from such point of supply.

(5) The quantity of electricity recorded by such meter shall be taken as the quantity actually supplied by the Licensee.

(6) The Licensee will provide the Security seals in the meter box cover and the current transformer chamber after testing the meter. The seals on the terminal cover of meter (Low Tension and High Tension), test-block, metering set, meter box, cutouts, air-break switch and gate and other seals as desired by the Licensee will be provided at site in the presence of the consumer or his representative who shall satisfy himself that all the seals including the security seals are intact and the <sup>2</sup>[meter] is functional. It is the responsibility of the consumer to ensure that the seals are not damaged or tampered with.

(7)<sup>3</sup> All HT services shall be provided with HT metering. Wherever existing metering of the High Tension Service connection is on the Low Tension side i.e. on the secondary side of the Transformer:

(i) The average losses in the transformer shall be calculated as follows and added to the energy consumption indicated by the meter :—

<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-30, dated 17-02-2012 (w.e.f. 21-03-2012).**

<sup>2</sup> Substituted for the expression "meter disc" as per Commissions Notification No. **TNERC/SC/7-4, dated 25-05-2007 (w.e.f. 13-06-2007).**

<sup>3</sup> Substituted as per Commissions Notification No. **TNERC/SC/7-36, dated 01-07-2014 (w.e.f. 06-08-2014). Which before substitution stood as follows:**

(7) Where metering of the High Tension service connection is on the Low Tension side i.e. on the secondary side of the Transformer:

(i) The average losses in the transformer shall be calculated as follows and added to the energy consumption indicated by the meter :—

$$\text{Average loss} = \frac{720 \times 1.0 \times C}{100} \text{ Units per month}$$

where C = KVA rating of the transformer.

(ii) The transformer loss arrived at by the above formula shall be added to the energy consumption, even when the recorded energy consumption is nil.

(iii) 1% of the transformer capacity for transformer above 63 KVA will be added to the recorded maximum demand on the Low Tension side to arrive at the equivalent High Tension demand

$$\text{Average loss} = \frac{720 \times 1.0 \times C}{100} \text{ Units per month}$$

Where C=KVA rating of the transformer.

(ii) The transformer loss arrived at by the above formula shall be added to the energy consumption, even when the recorded energy consumption is nil.

(iii) 1% of the transformer capacity for transformer above 63 KVA will be added to the recorded maximum demand on the Low Tension side to arrive at the equivalent High Tension demand.】

(8)At periodical intervals, the meters shall be recalibrated and standardized by means of standard instruments by the Licensee. In respect of High Tension service connections, however, such recalibration will be done in the presence of the Consumer's Electrical Engineer or his representative if the consumer so desires. If the meter is found defective/incorrect, the adjustments in bills shall be made for error beyond permissible limits as laid down in the relevant rules made under the Act. <sup>3</sup>[ The instrument transformers shall be tested for accuracy periodically as specified in the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and its amendment regulations.】

(9) If the consumer considers that the meter is defective, he may apply to the Licensee to have a special test carried out on the meters at any time and the cost of such a test shall be borne by the Licensee or the consumer according as the meter is found defective or correct as a result of such a test. <sup>1</sup>[The aforementioned special test for the disputed energy meters including the suspected/defective meters shall be carried out in the Third Party testing laboratory accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and till such time the Third Party Meter Testing Arrangement is established, the licensee shall have the special test conducted by the Chief Electrical Inspector to Government of Tamil Nadu]. The meter shall be deemed to be correct if the limits of error do not exceed those laid down in the relevant rules made under the Act. The consumer may also be allowed to install a check meter after recalibration by the Licensee. Such check meter shall be of high quality, high precision and high accuracy and sealed by the Licensee. Whenever the Licensee's meter becomes defective the check meter reading may be taken for billing.

(10) The procedure to be followed for replacement of defective/ damaged/ burnt meter shall be as follows:

(i) It is the responsibility of the Licensee to replace all defective meters <sup>2</sup>[belonging to the licensee] at his cost

(ii) Since the safe custody of the meter is the consumer's responsibility, replacement of meter due to damages shall be at the cost of consumer.

(iii) The cost of replacement for burnt meters shall be met by the Licensee unless it is proved otherwise that the burning out is due to the fault of the consumer.

(iv) When the meter is owned by the consumer and becomes defective / damaged or when the meter is burnt due to the fault of the consumer, it is the responsibility of the consumer to replace the meter by a healthy one, if he elects to continue to have his own meter. Otherwise the Licensee shall replace the meter and enter into an agreement for hire and collect the specified deposits.

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<sup>1</sup> and <sup>2</sup> Inserted as per Commissions Notification No.TNERC/SC/7-4, dated 25-05-2007 (w.e.f. 13-06-2007).

<sup>3</sup>.Inserted as per Commissions Notification No .TNERC/SC/7-36, dated 01-07-2014 (w.e.f.06-08-2014).

## 8. Meter Reading, Billing and intervals

<sup>1</sup>[(1) In the case of Low Tension service connections, the Licensee with the approval of the Commission shall decide the periodicity of meter readings, collection dates, modes etc. However, in the case of temporary supply, the meter reading shall be taken at the end of the period in case sanction is for less than a month and once in a month in case sanction is for a period more than a month. The Licensee shall have access to the consumer's premises at all reasonable hours for the purpose of such reading as per the provisions contained in section 163 of the Act. The format of the meter cards containing all basic information to be made available to the consumer shall be got approved by the Commission. It is the responsibility of the Licensee to ensure that the details in the respective meter cards are entered without omission.]

(2) In the case of High Tension Service Connections, the Licensee shall, within four days after the expiry of each billing month, cause to be delivered to every consumer a bill of charges stating the amount payable by the consumer in connection with supply of electricity by the Licensee.

(3)<sup>2</sup>[ \*\* ]

(4) In case of LT services the meter readings of last digit up to and inclusive of five units shall be rounded off to the lower multiple of ten units and the meter readings of last digit from six to nine units shall be rounded off to the higher multiple of ten units.

(5) In case of LT services, after taking the meter readings, the particulars of meter readings, energy consumption and charges payable will be incorporated in the consumer meter card.

(6) Payment for energy supplied shall be made by the consumer according to the meter readings referred to above and on delivery of a bill therefor in the case of High Tension consumers and incorporation of current consumption charges in the consumer meter card or assessment slip in the case of Low Tension consumers.

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<sup>1</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-22, dated 21-02-2011** (w-e-f- **23-3-2011**) which before substitution stood as under:

***"Reading of meter or meters shall be taken by the employees of the Licensee at such intervals or times the licensee may consider expedient and they shall have access to the consumer's premises at all reasonable hours for the purpose of such reading as per the provisions contained in section 163 of the Act. The format of the meter cards containing all basic information to be made available to the consumer shall be got approved by the Commission. It is the responsibility of the licensee to ensure that the details in the respective meter cards are entered without omission."***

<sup>2</sup>. Omitted as per Commission's Notification No. **TNERC/SC/7-22, dated 21-02-2011** (w-e-f- **23-3-2011**) which before omission stood as under:

***"In the case of Low Tension service connections, the Licensee in consultation with, and approval of the Commission shall decide the periodicity of meter readings, collection dates, modes, etc. However, in the case of temporary supply the meter reading shall be taken at the end of the period in case sanction is for less than a month and once in a month in case sanction is for a period more than a month"***

(7) The total of current consumption charges and other miscellaneous charges etc. in a bill/ assessment shall be rounded off to the nearest rupee.

(8) In respect of High Tension service connections, the employee of the Licensee, in the presence of the consumer or his representative, will take the meter readings. The signature of the consumer or his representative will be taken in the meter card in token of being present at the time of taking the reading. If the consumer or his representative refuses to be present or refuses to sign in the meter card, the fact will be recorded. The meter readings and consumption will nevertheless be entered in the meter card.

(9) In respect of captive generation, including windmill, the Licensee shall ensure provision of a meter card to enter the generation and consumption details. The employee of the Licensee, in the presence of the <sup>1</sup>[representative of the generator/consumer], will take the meter readings. The signature of the <sup>1</sup>[representative of the generator/consumer] will be taken in the meter card in token of being present at the time of taking the reading. If the <sup>1</sup>[representative of the generator/consumer] refuses to be present or refuses to sign in the meter card, the fact will be recorded. The meter readings and consumption will nevertheless be entered in the meter card.

#### **9. Meter readings when there is changes in sanctioned demand etc.,**

(1) Whenever there is change in the sanctioned demand, the change shall be effected, as far as possible, to coincide with the next meter reading. If , however, it is not possible so to do, the meter shall be reset and the maximum demand charges shall be billed proportionately for the respective periods.

(2) Whenever a tariff change is to be effected in a service connection, such change shall be effected only after obtaining a Revised Test Report (RTR) and the reading taken shall be conclusive proof of the <sup>2</sup>[electricity consumed till the change of tariff].

#### **10. Inaccessibility of meter for reading.**

(1) When a Low Tension consumer leaves his installation connected to the Licensee's mains but makes it inaccessible for reading by the employees of the Licensee, the consumer shall, for the first occasion of such inaccessibility, be charged provisionally on the basis of the amount charged on the previous assessment. The employee of the Licensee will leave an assessment slip in the premises, wherever possible.

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<sup>1</sup> Substituted for the expression "**consumer or his representative**" as per Commission's Notification No. **TNERC/SC/7-4 dated, 25-5-2007** (w.e.f. 13-06-2007).

<sup>2</sup>Substituted for the expression "**electricity supplied**" as per Commission's Notification No. **TNERC/SC/7-4 dated, 25-5-2007** (w.e.f.13-6-2007)

<sup>2</sup>[(2) If, on the next occasion, the meter is accessible for reading, the consumer will be charged for the actual consumption less the amount already charged, subject to the minimum monthly charges for both the periods. If, on the other hand, the meter remains inaccessible on the second occasion also, the consumer will be served with a <sup>1</sup>[48 hours notice] to open his premises at a fixed time and date to enable an employee of the Licensee to read the meter. In the said 48 hours notice, the consumer shall also be informed that the supply to his premises will be disconnected as per Section 163(3) of the Electricity Act, 2003, if he does not provide access to the meter. If the meter is now made accessible for reading, the consumer will be charged the actual consumption less the provisional amount charged and paid for the first period of inaccessibility subject to the minimum monthly charges for both the periods. If the meter remains inaccessible even after the <sup>1</sup>[48 hours notice], the supply to the premises will be disconnected and for that period also provisional amount as in the case of previous occasion will be charged.]

(3) If the meter is made accessible, subsequent to the disconnection, for purpose of reading the meter and settling accounts or for reconnection of the service as the case may be, the consumer will be charged the actual consumption subject to the minimum monthly charges payable for both periods less the two provisional amounts levied and paid for the two periods of inaccessibility. Reconnection charges, if any, shall also be levied. Any excess amount collected will be adjusted in future current consumption charges.

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<sup>1</sup> Substituted for the expression “**24 hours notice**” as per Commission’s Notification No. **TNERC/SC/7-4 dated, 25-5-2007 (w.e.f.13-6-2007)**

2. Substituted as per Commission’s Notification No. **TNERC/SC/7-22 dated 21-02-2011 (w.e.f. 23.3.2011)** which before substitution stood as under:

*If, on the next occasion, the meter is accessible for reading, the consumer will be charged for the actual consumption less the amount already charged, subject to the minimum monthly charges for both the periods. If, on the other hand, the meter remains inaccessible on the second occasion also, the consumer will be served with a <sup>1</sup>[48 hours notice] to open his premises at a fixed time and date to enable an employee of the Licensee to read the meter. If the meter is now made accessible for reading, the consumer will be charged the actual consumption less the provisional amount charged and paid for the first period of inaccessibility subject to the minimum monthly charges for both the periods. If the meter remains inaccessible even after the <sup>1</sup>[48 hours notice], the supply to the premises will be disconnected and for that period also provisional amount as in the case of previous occasion will be charged.*

<sup>1</sup>[(4) When a High Tension consumer leaves his installation connected to the Licensee's mains but makes the meter inaccessible for reading by the employees of the Licensee, the employees of the Licensee will serve the consumer with a 48 hours' notice to open his premises for reading of the meter at a fixed time. In the said 48 hours' notice, the consumer shall also be informed that the supply to his premises will be disconnected as per Section 163(3) of the Electricity Act, 2003, if he does not provide access to the meter. If the meter is now made available for reading, the readings will be taken. If the meter remains inaccessible even after the 48 hours' notice, the supply to the premises will be disconnected and the consumer will be charged provisionally on the basis of the amount charged for the previous month. If the meter is made accessible subsequent to the disconnection, the consumer will be charged the actual consumption less the provisional amount charged subject to minimum monthly charges. All reconnections shall attract reconnection charges over and above the other charges as are applicable.]

(5) Serving of notices to the consumers with regard to the provisions under the sections above, can be executed by pasting the same at a conspicuous place at the premises.

#### **11. Assessment of billing in cases where there is no meter or meter is defective:**

(1) Where supply to the consumer is given without a meter or where the meter fixed is found defective or to have ceased to function and no theft of energy or violation is suspected, the quantity of electricity supplied during the period when the meter was not installed or the meter installed was defective, shall be assessed as mentioned hereunder.

(2) The quantity of electricity, supplied during the period in question shall be determined by taking the average of the electricity supplied during the preceding four months in respect of both High Tension service connections and Low Tension service connections provided that the conditions in regard to use of electricity during the said four months were not different from those which prevailed during the period in question.

(3) In respect of High Tension service connections, where the meter fixed for measuring the maximum Demand becomes defective, the Maximum Demand shall be assessed by computation on the basis of the average of the recorded demand during the previous four months.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-22, dated 21-2-2011(w.e.f.23-03-2011)** which before substitution stood as under:

*When a High Tension consumer leaves his installation connected to the Licensee's mains but makes the meter inaccessible for reading by the employees of the Licensee, the employees of the Licensee will serve the consumer with a [48 hours notice] to open his premises for reading of the meter at a fixed time. If the meter is now made available for reading, the readings will be taken. If the meter remains inaccessible even after the [48 hours notice], the supply to the premises will be disconnected and the consumer will be charged provisionally on the basis of the amount charged for the previous month. If the meter is made accessible subsequent to the disconnection, the consumer will be charged the actual consumption less the provisional amount charged subject to minimum monthly charges. All reconnections shall attract reconnection charges over and above the other charges as are applicable.*

(4) Where the meter becomes defective immediately after the service connection is effected, the quantum of electricity supplied during the period in question is to be determined by taking the average of the electricity supplied during the succeeding four months periods after installation of a correct meter, provided the conditions in regard to the use of electricity in respect of such Low Tension service connections are not different. The consumer shall be charged monthly minimum provisionally for defective period and after assessment the actual charges will be recovered after adjusting the amount collected provisionally.

(5) If the conditions in regard to use of electricity during the periods as mentioned above were different, assessment shall be made on the basis of any consecutive four months period during the preceding twelve months when the conditions of working were similar to those in the period covered by the billing.

(6) Where it is not possible to select a set of four months, the quantity of electricity supplied will be assessed in the case of Low Tension service connections by the Engineer in charge of the distribution and in the case of High Tension service connections by the next higher level officer on the basis of the connected load and the hours of usage of electricity by the consumer.

(7) In case the consumer does not agree with the assessment made by the Engineer or the higher-level officer as the case may be, the matter may be referred to the next higher-level officer of the Licensee. In case the consumer is still not satisfied, the consumer is at liberty to approach the respective Consumer Grievance Redressal Forum of the Licensee.

## **12.Errors in billing**

(1) In the event of any clerical errors or mistakes in the amount levied, demanded or charged by the Licensee, the Licensee will have the right to demand an additional amount in case of undercharging and the consumer will have the right to get refund of the excess amount in the case of overcharging.

(2) <sup>1</sup>[Where it is found that the consumer has been over-charged, the excess amount paid by such consumer shall be refunded along with interest at the rate applicable for security deposit. The interest shall be computed from the date on which the excess amount was paid. Such excess amount with interest may be paid by cheque in the month subsequent to the detection of excess recovery or may be adjusted in the future current

<sup>1</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-8 dated 06-06-2008 (w.e.f. 16-07-2008)** which before substitution stood as under :

***"Where it is found that the consumer has been over-charged, the excess amount paid in such cases will be adjusted against future current consumption charges. If, even after such adjustment against future current consumption charges for two assessment periods, there is still a balance to be refunded, the refund will be made by cheque".***

consumption bills upto two assessments at the option of the consumer. The sum which remains to be recovered after two assessments may be paid by cheque. Interest shall be upto the date of last payment.]

(3) Wherever the Licensees receive complaints from consumers that there is error in billing, etc. the Licensee shall resolve such disputes regarding quantum of commercial transaction involved within the due date for payment, provided the complaint is lodged three days prior to the due date for payment. Such of those complaints received during the last three days period shall be resolved before the next billing along with refunds / adjustments if any. However, the consumer shall not, on the plea of incorrectness of the charges, withhold any portion of the charges.

### **13. Servicing of bills**

<sup>1</sup>[(1) For the HT services, bills shall normally be sent by post or by hand delivery or e-mail. Two e-mail ids shall be furnished by the consumer for this purpose. For the purpose of reckoning the due date of payment, the date of sending the e-mail alone will be the reference. The Licensee takes no responsibility for loss in transit. The consumer should notify the concerned office of the Licensee, if no bill or assessment is received. Non-receipt of the bills/ assessments will not entitle the consumer to delay payment of the charges beyond the due date. For LT services, entry in consumer meter card shall be the bill of demand and there will be no separate issue of bill.”]

(2) For any arrears other than the regular current consumption bill, it is the Licensee's obligation to inform the consumer by a separate communication with details.

### **14. DUE DATES AND NOTICE PERIODS**

(1) The Licensee shall provide the following minimum days with regard to due dates, notice period for payment of tariff related electricity charges:

(a) For LT Services, the due date shall be not less than 5 days from the date of entry in the consumer meter card. 15 days clear notice period shall be allowed prior to disconnection for non-payment. Belated payment surcharge shall not be levied for LT services during the notice period.

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<sup>1</sup>. Substituted as per Commission's Notification No. **TNERC/SC/7-30 dated 17-02-2012** (w.e.f. **21-03-2012**) which before substitution stood as under :

***“For the HT services, bills shall normally be sent by post or by hand delivery but the Licensee takes no responsibility for loss in transit. The consumer should notify the concerned office of the Licensee, if no bill or assessment is received. Non-receipt of the bills/assessments will not entitle the consumer to delay payment of the charges beyond the due date. For LT services, entry in consumer meter card shall be the bill of demand and there will be no separate issue of bill”.***



(b) For HT Services, the due date shall be not less than 7 days from the date of billing. If the last day of the due date happens to be a holiday, the due date shall be extended to till the next working day. 15 days clear notice period shall be allowed prior to disconnection for non-payment. <sup>1</sup>[In case the last day of the notice period happens to be a holiday, the period of notice will get extended and the last day for payment to avoid disconnection will be the next working day.] Belated payment surcharge shall be levied for HT services during the notice period as specified in this Code.

(2) In the case of Low Tension consumers who do not pay their current consumption charges as per the periods specified by the Licensee in the consumer meter card, the printed notice period in the consumer meter card shall be construed as the notice to the consumer. Payments may also be accepted during the notice period. If the last day included in the notice period happens to be a holiday, the period of notice will get extended and the last day for payment to avoid disconnection will be the next working day.

(3) Supply to such Low Tension consumers as specified above is liable to be disconnected after the expiry of the notice period.

(4) Bills rendered to High Tension consumers and the charges incorporated in the consumer meter cards of Low Tension consumers shall be paid as stipulated and are subject to BPSC, for delayed payment as stipulated in this Code.

(5) If the amount of any bill remains unpaid beyond the period specified, the Licensee may also, without prejudice to any of its rights under the agreement entered into by the consumer with the Licensee, order supply of electricity to the consumer to be discontinued forthwith without further notice and keep the service connection disconnected until full payment for all obligations pending and the charge for the work of disconnection and reconnection has been paid. Such discontinuance of supply of electricity shall not relieve the consumer of his liability to pay the minimum monthly charges nor shall such discontinuance affect any right, claim, demand or power which may have accrued to the Licensee hereunder.

## **15. MODE OF PAYMENT**

(1) The Licensee shall issue receipts for every recovery or payment from the consumers

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<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-4. dated 25-05-2007** (w.e.f.13-06-2007).

<sup>1</sup> [(2) All High Tension bills, including those on account of miscellaneous charges, shall be paid within the due date fixed by the Licensee from the date of the bill. The High Tension Consumer shall pay the bills in cash or by demand draft on local bank or Cheque drawn on a bank at the headquarters of the designated authority of the distribution licensee or through electronic payment or collection through bank's branch counters or post office as stipulated by the distribution licensee. Payment for amounts exceeding Rs.2000/- (Rupees two thousand only) is preferred by DD/ Cheque. Depending on the circumstances, the designated authority of the distribution licensee shall however accept cash payments also and advise the consumer for future remittances by DD / Cheque. In case the Cheque is dishonoured for any reason whatsoever, the High Tension consumer will be required to pay the High Tension bills in cash or by demand draft thereafter. If the payment is not received within fifteen days (notice period) from the expiry of the due date allowed for payment, the supply will be disconnected. However the consumer may be allowed extension of time to make payment beyond the expiry of the notice period allowed for payment, on an application made to the designated authority of the Distribution Licensee, subject to the levy of BPSC as specified in this Code.]

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<sup>1</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-22**, dated **21-2-2011(w.e.f.23-03-2011)** which before substitution stood as under:

***"All High Tension bills, including those on account of miscellaneous charges, are to be paid within the due date fixed by the Licensee from the date of the bill. The High Tension Consumer shall pay the bills in cash or by demand draft on local bank or Cheque drawn on a bank at the headquarters of the designated authority of the distribution licensee or through electronic payment as stipulated by the distribution licensee. Payment for amounts exceeding Rs.2000/- is preferred by DD/Cheque. Depending on the circumstances, the designated authority of the distribution licensee shall however, accept cash payments also and advise the consumer for future remittances by DD/Cheque. In case the cheque is dishonoured for any reason whatsoever, the High Tension consumer will be required to pay the cash or by demand draft thereafter."***

<sup>1</sup> [(3) Low Tension Consumers shall pay the amount due in cash or by money order or by demand draft on local bank, or by Cheque drawn on a bank where the Distribution Section Office is located or through electronic payment or collection through bank's branch counters or post office, etc. as stipulated by the distribution licensee. However, local bodies and Railways may issue Cheque on the banks situated in the place of their office and the Licensee may claim the collection charges, if any, from such consumers. Payment for amounts exceeding <sup>3</sup>[Rs.5000/-(Rupees five thousand only) ] is preferred by DD / Cheque. Depending on the circumstances, the designated authority of the distribution licensee shall however accept cash payments also and advise the consumer for future remittances by DD / Cheque.

(4). <sup>4</sup> <sup>2</sup>[In case the Cheque issued by consumer is dishonored due to insufficient funds, the Low Tension Consumer will be required to pay thereafter the amount due by cash / money order / demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T. consumers and three months period in respect of H.T consumers. The Licensee shall have the powers for restoration of cheque

<sup>1</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-16, dated 29-12-2009** and **TNERC/SC/7-22, dated 21-02-2011**(w.e.f. 23-03-2011) which before substitution stood as under:

***"Low Tension Consumers shall pay the amount due in cash or by money order or by demand draft on local bank, or by Cheque drawn on a bank where the Distribution Section Office is located or through electronic payment as stipulated by the distribution licensee. However, local bodies and Railways may issue Cheque on the banks situated in the place of their office and the Licensee may claim the collection charges, if any, from such consumers. Payment for amounts exceeding Rs.2000/- is preferred by DD/ Cheque. Depending on the circumstances, the designated authority of the distribution licensee shall however accept cash payments also and advise the consumer for future remittances by DD / Cheque. In case the Cheque issued by a consumer is dishonoured for any reason whatsoever, the Low Tension Consumer will be required to pay thereafter the amount due by cash/money order/ demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T consumers and three months period in respect of H.T consumers. However, the Licensee may accord approval for restoration of cheque facility in respect of Services in the name of Local bodies and Government Departments (both Central and State)departments. The Licensee shall have the powers for restoration of cheque payment facility upto fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. Such consumers shall pay service charges for dishonour of cheque as stipulated by the Commission in addition to the following:-***

***(a) Low Tension Consumers: Additional service charges @ 1% of the dishonoured cheque amount subject to a minimum of Rs.500/-.***

***(b) High Tension Consumers: Additional service charges @ 1% of the dishonoured cheque amount subject to a minimum of Rs.1000/-.***

***(c )This concession of restoration of cheque payment facility shall not be given thereafter for a service connection.***

<sup>3</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-38, dated 22-04-2015, (w.e.f. 20-05-2015)** which before substitution stood as under:

***"Rs.2000/-(Rupees two thousand only)"***

Payment facility upto fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. But if the cheque is dishonoured due to the reason other than insufficient funds, the licensee shall have the powers for restoration of cheque payment facility upto fourth occasion without watching the performance of the consumers in regard to subsequent settlement of charges. All such consumers shall pay service charges as stipulated by the Commission in addition to the following:-

(a) Low Tension Consumers: Rs.300/-.

(b) High Tension Consumers: Rs.1000/-.

(c) The concession of restoration of cheque payment facility shall not be given thereafter for a service connection."

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<sup>2</sup> Substituted as per Commission's Notification No.TNERC/SC/7-36, dated 01-07-2014(w.e.f.06-08-2014) which before substitution stood as under:

**(4). In case the Cheque issued by a consumer is dishonored for any reason whatsoever, the Low Tension Consumer will be required to pay thereafter the amount due by cash / money order / demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T. consumers and three months period in respect of H.T consumers. The Licensee shall have the power for restoration of cheque payment facility up to fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. Such consumers shall pay service charges for dishonour of cheque as stipulated by the Commission in addition to the following:**

**(a) Low Tension Consumers: Additional service charges @ 1% of the dishonoured cheque amount subject to a minimum of Rs.500/-.**

**(b) High Tension Consumers: Additional service charges @ 1% of the dishonoured cheque amount subject to a minimum of Rs.1000/-.**

**(c) This concession of restoration of cheque payment facility shall not be given thereafter for a service connection.]**

<sup>4</sup> Substituted as per Commission's Notification No.TNERC/SC/7-38, dated 22-04-2015(w.e.f.20-05-2015) which before substitution stood as under:

**In case the Cheque issued by a consumer is dishonored for any reason whatsoever, the Low Tension Consumer will be required to pay thereafter the amount due by cash / money order / demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T. consumers and three months period in respect of the HT consumers. The Licensee shall have the powers for restoration of cheque payment facility upto the fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. This concession of restoration of cheque payment facility shall not be given thereafter for a service connection. The consumers who request for restoration of cheque payment facility shall pay charges as follows:**

**(a) Low Tension Consumers: Rs.300/-.**

**(b) High Tension Consumers: Rs.1000/-.**

## 16. OPTION TO PAY CHARGES IN ADVANCE

<sup>1</sup>[The consumers who opt for depositing electricity charges in advance shall be permitted to do so. Such deposits shall be recorded in the consumer meter card. Interest at bank rate or such rate as specified by the Commission shall be calculated on such balance advance amount and credited to the consumer ledger accounts.]

## 17. AGREEMENT WITH RESPECT TO SUPPLY: ISSUES ON RECOVERY OF CHARGES

(1) Every consumer shall pay to the Licensee, from the date of commencement of supply till the agreement is terminated, security deposit, minimum monthly charges, fixed charges, if any, and other charges as provided in the Tariff Orders, this Code and any other orders in this regard by the Commission, from time to time. However, any consumer, who has not availed of reconnection even after the expiry of termination of agreement period, the monthly minimum charges <sup>2</sup>[shall be payable upto the date of termination of such agreement].

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-28, dated 05--09-2011**(w.e.f. **21-09-2011**) which before substitution stood as under:

**"The consumers who opt for depositing electricity charges in advance shall be permitted to do so. Such deposits shall be recorded in the consumer meter card."**

<sup>2</sup>Substituted for the expression **"may be limited to the date of disconnection"** as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w.e.f. **13-6-2007**)

(2) Notwithstanding the termination of the agreement, the consumer shall be liable to pay the arrears of current consumption charges or any other sum due to the Licensee on the date of disconnection and meter rent, if any, up to the date of termination of the agreement and Belated Payment Surcharge (BPSC) up to the date of payment.

(3) The Licensee may require the consumer, who, at any time during the currency of the agreement, intends to sell or otherwise dispose of or lease out in whole or in part of the premises or business to which supply is given or has been contracted for, to give three months' notice of his intention to the <sup>1</sup>[designated authority of the distribution licensee] and clear all dues up to the date of sale/ disposal/ lease. In the case of such notice, the agreement in so far as the consumer is concerned, will cease to operate with effect from the date specified in such notice, but without prejudice to any claim or right which may have accrued to the parties there under.

(4) If the consumer fails to give advance intimation as aforementioned of his intention to sell or lease out or otherwise dispose of the properties or business to which supply is given or contracted for, the Licensee shall have the right to recover the charges for consumption and other charges due to the Licensee under the agreement even beyond the date of sale or lease out or otherwise disposal of the properties or business.

(5) If a service connection remains disconnected for a period of three months for non-payment dues to the Licensee, the Licensee shall issue a notice requiring the consumer to get supply restored within three months from the date of receipt of such a notice and intimating him that failure to avail supply within that period will result in termination of the agreement. After the expiry of notice period of three months, the agreement shall stand terminated

(6) <sup>2</sup> and <sup>3</sup> [XXXX]

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<sup>1</sup> Substituted for the expression "**Engineer of the Licensee**" as per Commission's Notification No. **TNERC/SC/7-4 dated 25-5-2007 (w.e.f.13-6-2007)**

<sup>2</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-3 dated, 10-4-2007 (w.e.f. 25-4-2007)**

<sup>3</sup>. Omitted as per Commission's Notification No.**TNERC/SC/7-12 dated, 27-02-2009 (w.e.f. 01-4-2009)** which before omission stood as under:

(i) The initial agreement period shall be one year from the date of availing supply and shall not apply for any reduction in the contract demand.

(ii) The consumer may apply for and reduce his demand after expiry of initial agreement period of one year, once in an year without paying any charges for such reduction. For second and subsequent reduction in an year, the consumer shall be liable to pay one time charges of twice the demand charges for the demand surrendered.

(iii) The consumer shall apply for and reduce the demand only upto 50% of the then existing contracted demand at the time of applying for reduction in demand].

<sup>1</sup>[(7).The licensee shall on receipt of the notice referred to in sub-regulation (3) make such adjustment of the dues due to him from the consumer as may be necessary to clear the dues from the consumer against the security deposit or additional security deposit or any other deposit made by the consumer, and after making such adjustment, refund the balance deposit, if any, to the consumer within three months from the date of expiry of the notice period referred to in sub – regulation (3).]

<sup>2</sup>[(8) Where any consumer has more than one service connection, if he defaults in the payment of dues relating to any one of the service connections, the licensee may cause other service connections in the name of the consumer to be disconnected on issuing proper notice till all the arrears due for all the service connections are paid, notwithstanding the fact that the service connections are covered under separate agreements.]

<sup>3</sup>[9(a) In case of service connections in a premises, which have been disconnected / dismantled for defaults in payment of dues whatsoever and if such service connections are to be reconnected or new service connections are to be obtained by other persons in such premises either by purchase or transfer or lease basis, the Distribution Licensee shall reconnect such service connections or effect new service connections, as the case may be, in such premises only after payment of dues attributed to such premises by the applicant :

Provided that in cases such premises have legally been sub-divided, the outstanding dues attributed to such premises shall be divided in proportion to the area covered by that sub-division. A new service connection to any of such sub-divided premises shall be given only after the share of outstanding dues attributed to such sub-divided premises, is duly paid by the applicant. The Distribution Licensee shall not refuse connection to an applicant of such sub-divided premises only on the ground that, dues attributed to the other portion(s) of such sub-divided premises have not been paid, nor shall the licensee demand record of last paid bills of such other portion(s) from such applicants.

(b) The authorised officer of the licensee may permit such applicant to pay the outstanding dues in instalments and to avail the service on payment of 40% of the total arrears outstanding including BPSC in addition to the charges for reconnection of such service connections or effecting new service connections. The balance 60% of the outstanding dues shall be collected in 10 monthly instalments.

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<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-6, dated, 3-12-2007** (w.e.f. **19-12-2007**)

<sup>2</sup>. Inserted as per Commission's Notification No. **TNERC/SC/7-10, dated, 31-7-2008** (w.e.f. **20-8-2008**)

<sup>3</sup>. Inserted as per Commission's Notification No. **TNERC/SC/7-25, dated, 18-3-2011** (w.e.f. **13-4-2011**)

(c) In case an intending buyer of premises requests for the details of electricity charges due from the owner/ occupier of the premises to the distribution licensee, the distribution licensee shall provide such details on payment of the charges as stipulated in order of the Commission on non-tariff related miscellaneous charges for the time being in force. ]

## 18. CONSUMER GRIEVANCE REDRESSAL

All grievances of the consumers, relating to the provisions under regulations (3) to (17) of this Code shall be referred by the consumer to the respective Consumer Grievance Redressal Forum <sup>1</sup>[constituted under the Act].

## 19. UNAUTHORIZED USE OF ELECTRICITY – INVESTIGATION AND ENFORCEMENT PROVISIONS

Section 126 of the Act deals with the provisions for investigation and enforcement in cases of unauthorized use of electricity and reads as follows:

### “Assessment

(1) If on an inspection of any place or premises or after inspection of the equipments, gadgets, machines, devices found connected or used, or after inspection of records maintained by any person, the assessing officer comes to the conclusion that such person is indulging in unauthorized use of electricity, he shall provisionally assess to the best of his judgement the electricity charges payable by such person or by any other person benefited by such use.

(2) The order of provisional assessment shall be served upon the person in occupation or possession or in charge of the place of premises in such manner as may be prescribed.

(3) <sup>2</sup>[The person, on whom an order has been served under sub-section (2), shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who shall, after affording a reasonable opportunity of hearing to such person, **pass a final order of assessment within thirty days** from the date of service of such order of provisional assessment of the electricity charges payable by such person].

(4) Any person served with the order of provisional assessment may, accept such assessment and deposit the assessed amount with the Licensee within seven days of service of such provisional assessment order upon him:

<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated, 25-5-2007** (w.e.f. **13-6-2007**)

<sup>2</sup> Substituted for the expression “**The person, on whom a notice has been served under sub-section (2), shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who may, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment of the electricity charges payable by such person**” as per Commission's Notification No. **TNERC/SC/7-15 dated 09-10-2009** (w.e.f. **15-6-2007**)



<sup>1</sup>[xxx]

(5) <sup>2</sup>[If the assessing officer reaches to the conclusion that unauthorized use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection].

(6) The assessment under this section shall be made at a rate equal to <sup>3</sup>[twice] the tariff applicable for the relevant category of services specified in sub-section (5).

*Explanation:* For the purposes of this section,—

(a) “assessing officer” means an officer of a State Government or Board or Licensee, as the case may be, designated as such by the State Government;

(b) “unauthorized use of electricity” means the usage of electricity —

(i) by any artificial means; or

(ii) by a means not authorized by the concerned person or authority or Licensee; or

(iii) through a tampered meter; or

(iv) <sup>4</sup>[for the purpose other than for which the usage of electricity was authorized; or

(v) for the premises or areas other than those for which the supply of electricity was authorised]

**<sup>5</sup>[19 A Procedure for disconnection of supply of electricity and removal of the unauthorized usage of electricity.]**

<sup>1</sup>Omitted as per Commission's Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007)**, which before omission stood as under :

[Provided that in case the person deposits the assessed amount, he shall not be subjected to any further liability or any action by any authority whatsoever].

<sup>2</sup> Substituted for the expression “**If the assessing officer reaches to the conclusion that unauthorized use of electricity has taken place, it shall be presumed that such unauthorized use of electricity was continuing for a period of three months immediately preceding the date of inspection in case of domestic and agricultural services and for a period of six months immediately preceding the date of inspection for all other categories of services, unless the onus is rebutted by the person, occupier or possessor of such premises or place**” as per Commission's Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007)**.

<sup>3</sup> Substituted for the expression “**one-and-half times**” as per Commission's Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007)**.

<sup>4</sup> Substituted for the expression “**for the purpose other than for which the usage of electricity was authorised**” as per Commission's Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007)**.

<sup>5</sup>. Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f.13-06-2007)**

(1) An assessing officer mentioned under section 126 of the Act, may either *suo motu* or on receipt of reliable information regarding unauthorized use of electricity in any premises conduct inspection of such premises.

(2) The assessing officer shall prepare a report giving details such as connected load, condition of seals, working of meter and record any irregularity noticed/ unauthorized use of electricity found.

(3) The report referred to in sub-regulation (2) shall clearly indicate whether conclusive evidence substantiating the fact that unauthorized use of electricity was found or not. The details of such evidence should be recorded in the report.

(4) In case of suspected unauthorized use of electricity, provisional assessment order shall be issued in the manner prescribed under the rules made by the State Government under section 126 (2) of the Act and final assessment order shall be issued by the assessment officer by following the procedure stipulated in section 126 of the Act. In respect of a tariff where different rates are adopted based on the slabs of consumption, the highest tariff rate specified in the tariff structure for the relevant category of service may be adopted.

(5) If the person does not deposit the assessed amount with the licensee concerned as stipulated under sub-section (4) of section 126 of the Act, the licensee concerned may proceed to recover such assessed amount and take such further action as is permitted under the Act.

(6) The enforcement provisions of the Act and the procedures given in this code shall be followed to recover the assessed amount from the person. In case of default in payment of the assessed amount, including default in payment of any of the installment permitted by the licensee concerned and agreed by the person, the licensee concerned may, after giving a fifteen days' notice in writing disconnect the supply of electricity.

(7) The person shall remove the cause of unauthorized use immediately after its detection and give a written intimation to the licensee concerned. The licensee concerned shall check the claim of the person about the removal of the cause of unauthorized use of electricity, verified to his satisfaction. Failure of the person to remove the cause of unauthorized use shall result in levy of charges on account of unauthorized use of electricity till the cause of such unauthorized use of electricity is removed and verified and recorded by the licensee concerned or the onus of allegation of unauthorized use of electricity is rebutted by the person and accepted by the licensee concerned].

## **20. APPEAL UNDER SECTION 127 (1) OF THE ACT**

(1) Every appeal petition made to the Appellate Authority prescribed under section 127 (1) of the Act shall be in Form 6 and shall be accompanied by a Demand Draft for an amount of Rs.100/- (Rupees one hundred only)

(2) Verification of the Appeal Petition:

(a) Every appeal petition referred to above shall be verified by an Affidavit and every such Affidavit shall be in Form-7.

(b) Every affidavit shall be drawn up in the first person and shall state the full name, age, occupation and address of the deponent and the capacity in which he is signing and shall be signed and sworn before a person lawfully authorized to take and receive affidavits.

(c) Every affidavit shall clearly and separately indicate statements, which are true to the (i) belief of the deponent. (ii) knowledge of the deponents and (iii) Information received by the deponent.

(d) Where any statement in the affidavit is stated to be true to the information received by the deponent the affidavit shall also disclose the source of the information and a statement that the deponent believes that information to be true.

(3) After an appellate authority passes orders on an appeal and when the appellant defaults in making payment of the assessed amount, he, in addition to the assessed amount, shall be liable to pay, on expiry of thirty days from the date of order, an amount of interest at the rate of sixteen percent per annum, compounded every six months.

### **CHAPTER 3. DISCONNECTION AND RESTORATION OF ELECTRIC SUPPLY**

#### **21. DISCONNECTION OF SUPPLY**

*Section 56 of the Act with regard to disconnection of supply in default of payment reads as follows :*

“(1). Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a Licensee or the generating company in respect of supply, transmission or distribution or wheeling of electricity to him, the Licensee or the generating company may, after giving not less than fifteen clear days’ notice in writing, to such person and without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and for that purpose cut or disconnect any electric supply line or other works being the property of such Licensee or the generating company through which electricity may have been supplied, transmitted, distributed or wheeled and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid, but no longer:

Provided that the supply of electricity shall not be cut off if such person deposits, under protest,—

(a) an amount equal to the sum claimed from him, or

(b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six months.

whichever is less, pending disposal of any dispute between him and the Licensee.

(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be

recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrears of charges for electricity supplied and the Licensee shall not cut off the supply of the electricity”.

The provision of the Act as in sub-section (1) above is in addition to and not in derogation of any other law for the time being in force. Accordingly the Licensee shall be entitled to disconnect the supply of electricity subject to the provisions of Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and control of pollution) Act, 1981 and Environment (Protection) Act, 1986, etc.

## **22. Restoration of supply of electricity**

(1) The Licensee shall restore the supply to the service immediately and in any case not exceeding twelve hours <sup>1</sup>[in the case of urban areas and twenty four hours in the case of rural areas] on recovery of electricity charges or such other sums together with any expenses incurred by the Licensees in cutting off and re-connecting the supply.

(2) In the case of a service connection remaining disconnected for six months or more the consumer’s installation will be tested, revised test report obtained and the testing charges collected from the consumer before the same is restored. <sup>2</sup>[Such revised test report shall be signed by the consumer or legal owner or legal occupant of the premises].

(3) To restore supply to a High Tension service connection which remains disconnected for one year or more, approval of the competent authority with regard to safety and security of the installation shall be obtained.

(4)<sup>3</sup>[xxxxxx]

(5) The Licensee shall restore the disconnected service before issue of termination of Agreement Notice and also during the notice period for termination of agreement on recovery of <sup>4</sup>[all the arrears / charges due from the consumer”] till the date of restoration.

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<sup>1</sup>Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 13-6-2007)**

<sup>2</sup>Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 13-6-2007)**

<sup>3</sup>.Omitted as per Commission’s Notification No. . **TNERC/SC/7-35, dated, 03-06-2014 (w.e.f. 25-6-2014)**

**“(4) In the case of service connections, which have been disconnected, the Licensee shall have the power to allow installment payments of all arrears in deserving cases.”**

<sup>4</sup>. **Substituted as per Commission’s Notification No. TNERC/SC/7-35, dated, 03-06-2014 (w.e.f. 25-6-2014) which before substitution stood as under:**

**“total arrears due”**

<sup>1</sup>[(6) (i) When a service connection remains disconnected <sup>2</sup>[for more than six months] for non-payment of electricity charges beyond the notice period of three months, if the consumer comes forward within the period mentioned below to pay the actual dues and agrees to remit the charges in clause (ii) below, the official authorized by the Licensee may grant extension of time <sup>3</sup>[xxx] and revoke the termination of agreement provided that the lines feeding the service connection have not been dismantled, so as to facilitate reconnection of the disconnected service

<b>Category</b>	<b>Period for reconnection of disconnected service</b>
HT consumers	Within five years from the date of Disconnection
LT Agricultural consumers	- do -
Other LT consumers	Within two years from the date of Disconnection

(ii) <sup>4</sup>[xxxxx] The authorized Officer of the Licensee may permit such consumer to pay the outstanding in instalments and to avail reconnection on receipt of 40% of the total arrears outstanding after closing of account due to the licensee, which include –

- (a) Arrears on the date of disconnection
- (b) Tariff minimum and meter rent for the period of six months from the date of disconnection (including the notice period)
- (c) The applicable BPSC / interest upto the date of payment.
- (d) The balance 60% of the amount shall be collected in ten monthly instalments.
- (e) In addition to the above, the full amount of Security Deposit adjusted while closing of account shall be collected in one lumpsum before effecting new service connection.

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<sup>1</sup>Substituted as per Commission's Notification No **TNERC/SC/7-2, dated, 19-05-2006(w.e.f.1.09.2004)** which before substitution stood as under:

**(3) When the service connection remains disconnected for non-payment of electricity charges beyond the notice period of three months, if the consumer comes forward to pay the actual dues and agrees to remit the tariff minimum charges in respect of HT services, monthly minimum in respect of LT services for the period of disconnection after termination of agreement period with re-connection charges, the Licensee may grant extension of time beyond such notice period and revoke the termination of agreement provided that the lines feeding the service connection have not been dismantled so as to facilitate re-connection of the disconnected service.**

**(4) If the consumers of disconnected services come forward for reconnection after 5 years in case of H.T. services and two years in case of LT services from the date of disconnection, the Licensee shall treat them as new applicants and supply effected after recovering all charges applicable to a new service connection and all other arrears with BPSC.**

<sup>2</sup> Inserted as per Commission's Notification No **TNERC/SC/7-35, dated, 03-06-2014(w.e.f.25-6-2014)**

<sup>3</sup> & <sup>4</sup> Omitted as per Commission's Notification No **TNERC/SC/7-35, dated, 03-06-2014(w.e.f.25-6-2014)** which before omission stood as

**3 - "beyond the notice period" and 4 - "In accordance with sub-regulation (4)"**

<sup>1</sup>[Explanation: For the purpose of removal of doubts, it is hereby declared that any tariff minimum collected by the Tamil Nadu Electricity Board prior to the date of publication of the Tamil Nadu Electricity Supply (Amendment) Code, 2006 in the *Tamil Nadu Government Gazette*, that is to say prior to 21st June 2006 on the basis of sub-regulation (6) as it stood before the said amendment need not be refunded by the Tamil Nadu Electricity Board].

(7) If the consumers of the disconnected service come forward for reconnection after the period mentioned in sub-regulation (6) (i), the licensee shall treat them as new applicants and supply effected after recovering all charges applicable to a new service connection and all other arrears with BPSC].

(8) The facility of payment in installments will be made available to the consumer on request. To avail of this facility, the consumer shall execute an undertaking in Form (5) in the Appendix to this Code.

#### **Chapter 4 : Tampering, Distress or Damage to Electrical Plant, Meters etc.,**

**23.** The Act deals elaborately under sections 135 to 141 regarding the tampering , distress etc., Hence in this Code, for the sake of completeness and to provide consolidated information to the consumers on electric supply, the <sup>2</sup>[the relevant provisions of the Act as well as procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity and measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter are set out below].

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<sup>1</sup> Inserted as per Commission's Notification No. **TNERC/SC/7-2(1)**, dated, **20-9-2006(w.e.f.1-09-2004)**

<sup>2</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-4** dated, **25-5-2007 (w.e.f.13-6-2007)**

**"relevant provisions of the Act are reproduced for ready reference".**

## **(A) Tampering of meters and theft of electricity**

<sup>1</sup>[(1) Section 135 of the Act, which deals with theft of electricity, reads as follows:

(1) Whoever, dishonestly, -

a. taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a Licensee or supplier as the case may be; or

b. tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or

c. damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity.

d. uses electricity through a tampered meter or

e. uses electricity for the purpose other than for which the usage of electricity was authorised,

so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both;

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<sup>1</sup>*Substituted as per Commission's Notification No. TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-06-2007), which before substitution stood as under :*

***(1) Section 135 of the Act, which deals with theft of electricity, reads as follows :***

***(1) Whoever, dishonestly,-***

***a. taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a Licensee; or***

***b. tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or***

***c. damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity, so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both;***

***Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use –***

***(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity.***

***(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:***

***Provided further that if it is proved that any artificial means or means not authorised by the Board or Licensee exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer***

Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use—

(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity.

(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:

Provided further that in the event of second and subsequent conviction of a person where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use exceeds 10 kilowatt, such person shall also be debarred from getting any supply of electricity for a period which shall not be less than three months but may extend to two years and shall also be debarred from getting supply of electricity for that period from any other source or generating station:

Provided further that if it is proved that any artificial means or means not authorized by the Board or Licensee or supplier, as the case may be exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer.

(1A) Without prejudice to the provisions of this Act, the licensee or supplier, as the case may be, may, upon detection of such theft of electricity, immediately disconnect the supply of electricity:

Provided that only such officer of the licensee or supplier, as authorised for the purpose by the Appropriate Commission or any other officer of the licensee or supplier, as the case may be, of the rank higher than the rank so authorised shall disconnect the supply line of electricity:

Provided further that such officer of the licensee or supplier, as the case may be, shall lodge a complaint in writing relating to the Commission of such offence in police station having jurisdiction within twenty four hours from the time of such disconnection:

“relevant provisions of the Act are reproduced for ready reference”.

Provided also that the licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provisions of this Act, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to this clause, restore the supply line of electricity within forty-eight hours of such deposit or payment]

(2) <sup>4</sup>[Any officer of the licensee or supplier as the case may be] authorized in this behalf by the State Government may—

(a) enter, inspect, break open and search any place or premises in which he has reason to believe that electricity has been or is being used unauthorizedly;



(b) search, seize and remove all such devices, instruments, wires and any other facilitator or article which has been or is being used for unauthorized use of electricity;

(c) examine or seize any books of account or documents which in his opinion shall be useful for or relevant to, any proceedings in respect of the offence under sub-section (l) and allow the person from whose custody such books of account or documents are seized to make copies thereof or take extracts therefrom in his presence.

(3) The occupant of the place of search or any person on his behalf shall remain present during the search and a list of all things seized in the course of such search shall be prepared and delivered to such occupant or person who shall sign the list;

Provided that no inspection, search and seizure of any domestic places or domestic premises shall be carried out between sunset and sunrise except in the presence of an adult male member occupying such premises.

(4) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974), relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.”

*Explanation:* For the purposes of the above section on tampering of meters and theft of electricity, if the premises in question are occupied by an authorized tenant through an agreement with the respective consumer, the responsibility shall rest with the authorized tenant only.

<sup>21</sup>[\*\*\*] (AA) The Procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity as detailed in section 135 of the Act is given below:

(1) The officer authorized under sub-section (2) of section 135 of the Act (hereinafter referred to as the authorized officer), may either suo-motu or on receipt of reliable information regarding theft of electricity in any premises, conduct inspection of such place or premises (The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.).

(2) (a) The authorized officer shall prepare a report at the place or premises giving details such as connected load, condition of seals, working of meter and record, modus operandi adopted for theft of energy. Any damage or destruction to the electric meter, metering equipments, apparatus, line, cable or electrical plant of the Licensee or supplier concerned, caused or allowed to be caused by the accused person so as to interfere with the proper or accurate metering of electricity or for theft of electricity shall also be duly recorded in the report indicating whether conclusive evidence substantiating the fact that theft of energy was found or not. The authorized officer may also take photo or prepare a diagram illustrating the arrangements found to have been made for theft of electricity, wherever feasible and such photo or diagram shall form a part of inspection report. Upon detection of such theft of

electricity, the officer of the licensee or supplier, as the case may be, as authorized for the purpose by the Commission, may, immediately disconnect the supply line of electricity and a complaint shall be lodged in the police station as per the procedure stipulated in section 135 (1A) of the Act on the basis of the materials collected by the Assessment officer who has conducted the inspection. The supply to the premises shall be restored only after satisfying the stipulation of the third proviso of section 135 (1A) of the Act.

(b) To carry out all or any of the above acts specified in subsection (1A) of section 135 of the Act, the Commission authorises the same officers of the Licensee or the supplier as authorised by the Government of Tamil Nadu to do all or any of the acts specified in clauses (a) to (c) of sub-section (2) of section 135 of the Act.

(3) In case of suspected theft by tampering of meter or metering equipment, meter connection security seal or by replacing original seal by bogus seal, the meter shall be removed and sealed and a separate report shall be prepared on the condition of the meter and metering equipment removed and sealed. At the time of sealing, signatures of the accused person and also of the officers of licensee or supplier concerned, as the case may be, and any other witness shall be obtained on this report. This report shall also form a part of the inspection report. The supply shall be restored only through a meter tested in an accredited test laboratory and metering equipment of appropriate rating subject to satisfying the condition as specified in sub-regulation (2). In such cases, the licensee or supplier concerned, as the case may be, shall also verify the connected load at the premises and record details of equipment found in the premises, in the inspection report.

(4) In cases where the theft of electricity by by-passing the meter or metering equipment is detected and the electrical load, fully or partially, or the accused person's connection is found connected directly with the lines, cables or electrical plant, electric supply to such premises shall be disconnected forthwith as stipulated in sub-regulation (2) and shall be restored only after the cause of theft is removed to the satisfaction of the licensee or supplier concerned, as the case may be, and subject to satisfying the condition as stipulated in sub-regulation (2).

(5) In cases of theft by direct tapping from the licensee's or supplier's lines, cables or electrical plant of the licensee or supplier, if the accused person unauthorizedly connects or reconnects any meter of the licensee or supplier in a disconnected service, then electric supply to such premises or place shall be disconnected forthwith as stipulated in sub-regulation (2). The licensee or supplier concerned, as the case may be, may subsequently remove or divert or convert his line, cable or electrical plant to prevent further theft of electricity provided that such action shall not result in any inconvenience in affording quality supply or disruption of supply, to other consumers.

(6) The authorized officer and any other officer of the licensee or supplier concerned, as the case may be, who accompanied the authorized officer shall sign the inspection report in all the above cases and obtain signatures of the accused person or his representative and the same must be handed over to the accused person or his representative at

site immediately under proper receipt. In case of refusal by the accused person either to sign or accept or give a receipt, a copy of inspection report must be pasted at a conspicuous place in or outside the premises and a note recorded on the office copy of the inspection report to the effect that the copy of the report has been pasted at the conspicuous place of the premises. A copy of the report shall be subsequently sent to the accused person of the premises under registered post within three days of inspection.

(7) Where it is established that there is a case of theft of energy, the authorized officer shall assess the quantum of energy consumption for the past twelve months as per the assessment formula given in Form 8 in Appendix to this code and prepare provisional assessment order for the charges for such consumption at two times of the tariff applicable (i.e) the applicable tariff for the purpose for which the pilfered energy was used) and serve on the accused person under proper receipt. The authorized officer may reduce the period for such billing if it is established by the facts or documents submitted in the representation of the accused person or any such other evidence observed by the authorized officer. Wherever electronic meters are installed and the load curves are studied periodically, the period of theft could be limited to the exact period as could be determined scientifically. The authorized officer shall record reasons for such reduction in the period of billing, in the assessment order. The energy consumption arrived at as per the formula referred to in the said Form 8 will be charged excluding the energy consumption recorded by the meter as per the rates specified by the Commission's Tariff Order.

<sup>3</sup>[Provided that if the quantum of energy consumption is recorded in the meter installed by the Distribution Licensee in the consumer's premises, the authorized officer shall arrive such energy consumption as per the assessment formula given in Form 8-A in Appendix to this Code]

(8) Within five days of inspection, the authorized officer shall serve on the accused person, provisional assessment order in the Form 9 in Appendix to this code for the charges for the theft of electricity based on the evidence recorded during the course of inspection. The order should clearly state the time, date and place at which the reply has to be submitted and the designation/ address of the officer to whom it should be addressed. The accused person shall be required to submit his representation within seven days of issue of the provisional assessment order.

(9) In case of suspected theft through a tampered meter, such tampered meter taken out and sealed at the time of inspection, as prescribed in sub regulation (3), shall be sent to the third party accredited meter testing laboratory as arranged by the licensee or supplier concerned, as the case may be, or to the Chief Electrical Inspector to the State Government till such time the third party meter testing arrangement is established by the licensee or supplier concerned, as the case may be. The accused person shall be given a notice of seven working days for witnessing the test of such meter at such meter testing laboratory. The notice shall clearly indicate the time, date and place wherein the suspected tampered meter shall be tested and the accused person shall be allowed to witness the test. The accused person

shall duly sign the test results report after witnessing it. If such accused person does not turn up at the meter testing laboratory on the appointed date and time indicated in the notice to witness the test or refuses to sign the test results, the licensee or supplier concerned, as the case may be, shall carryout the test in the absence of such accused person and shall send a copy of results to the accused person through registered post within three days of the date of testing.

(10) In cases where the meter has been tested at such meter testing laboratory and where it is established that there is a case of theft of energy, the procedure for assessment as specified in sub regulation (7) shall be followed.

(11) In case the accused person does not respond to the provisional order within seven working days, the licensee or supplier concerned, as the case may be, may proceed to initiate the recovery against the provisional assessment order.

(12) Within seven working days from the date of submission of such accused person's reply, if made within the seven working days from the date of receipt of provisional assessment order, the authorized officer shall arrange a personal hearing with such accused person. For this purpose the authorized officer shall serve a three days notice to such accused person to allow him for a personal hearing and shall also allow any additional submission of new facts or documents if any, during the course of hearing by such accused person. If such accused person does not respond to the notice in the matter, the authorized officer shall proceed to issue the final assessment order, as per the procedure specified herein after.

(13) Before the personal hearing, the authorized officer before whom personal hearing shall be conducted, shall analyze the case after carefully considering all the documents, submissions by the accused person, facts on record and the consumption pattern, whatever available.

(14) The authorized officer shall also compute the quantum of energy consumption for the past twelve months. The Assessment Officer may study the energy consumption pattern of the Service Connection concerned for the past one year or more. If necessary, it may also be compared with the load/production pattern or output of the service connection. In case of suspected theft, if consumption pattern is commensurate with the assessed consumption or in case of the decision that the case of suspected theft is not established, no further proceedings shall be taken and the decision shall be communicated to the accused person under proper receipt within three working days and the supply to the premises shall be restored forthwith.

(15) Considering the facts submitted by the accused person, the authorised officer shall issue, within seven working days from the date of enquiry, a final assessment order in Form 10 in Appendix to this code. If the accused person does not respond to the personal hearing, the authorised officer shall issue a final assessment order within fifteen days from the issuance of provisional assessment order. This speaking order shall contain a

brief of inspection report, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same and the assessment charges as per sub-regulation (12). In the final assessment order, charges, if any, paid by the accused person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.

(16) The final assessment amount and the last date should be clearly stated in the speaking order. A copy of the speaking order shall be handed over to the accused person under proper receipt on the same day.

(17) The accused person shall be required to make the payment within seven working days of receipt of final assessment order. On deposit or payment of the assessed amount or electricity charges by the accused person, supply to the premises shall be restored as referred to in the third proviso of section 135 (1A) of the Act.

(18) In case of default in payment of the assessed amount, the licensee or supplier concerned, as the case may be, shall, after giving a fifteen days' notice in writing, remove meter and service line and also electrical plant for giving supply to this connection. However if the accused person makes payment within notice period, surcharge applicable to that category shall also be payable as prescribed in this code.

(19) In case where the theft of electricity in the premises which does not have regular electricity connection, has been detected and the licensee or supplier concerned, as the case may be, shall forthwith disconnect the supply to such premises. In such premises supply shall be given only after the accused person has cleared the dues to be paid on account of charges assessed for theft of electricity in full including surcharge if any and has availed a regular new connection after completing the required formalities.

(20) If the accused person does not make payment, the licensee or supplier concerned, as the case may be, may proceed to recover its dues against such order and take such further action as is permitted under the Act.

(21) If no person is available to whom the provisional or final assessment order can be served with reasonable diligence or if any person refuses to accept or avoids to receive such order, it shall be affixed at the inspected premises in the presence of two witnesses and in such case an endorsement to the effect shall be made in the copy of such order. An assessment order so affixed shall be deemed to have been duly served to the person or occupier of the premises.

(22) In case of compounding the notice as in Form 11 in Appendix to this code may be issued and the amount collected as per section 152 of the Act.

**Explanation:** For the purpose of this regulation and regulation 23-BB:

(a) "accused person" shall mean and include the owner or occupier of the premises or his authorized agent or representative or any other person who is in occupation or possession or in charge of the premises at the relevant time of detection of theft of electricity or any other person who has been benefited by the theft of electricity.

(b) "authorised officer", shall in case if he is not an officer of the licensee or supplier, as the case may be, mean and include an officer designated or appointed as an authorised officer by the State Government for the purpose of

dealing with theft of electricity as provided in the Act, including the assessment of theft of energy empowered under this code.

(c) "licensee or supplier" means and includes the licensee or supplier, as the case may be or his franchisee or his authorized agent or representative who alleges the occurrence of theft of electricity.]

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25.5.2007 (w.e.f. 13-06-2007)**

<sup>2</sup>Substituted as per Commission's Notification No. **TNERC/SC/7-5, dated, 23-8-2007 (w.e.f. 15-06-2007)** which before substitution stood as under

**(AA) The Procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity is detailed below:**

**(1) The officer authorized under sub-section (2) of section 135 of the Act (hereinafter referred to as the authorized officer), may either suo-motu or on receipt of reliable information regarding theft of electricity in any premises, conduct inspection of such place or premises (The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.).**

**(2) The authorized officer shall prepare a report at the place or premises giving details such as connected load, condition of seals, working of meter and record, modus operandi adopted for theft of energy. Any damage or destruction to the electric meter, metering equipments, apparatus, line, cable or electrical plant of the licensee concerned caused or allowed to be caused by the accused person so as to interfere with the proper or accurate metering of electricity or for theft of electricity shall also be duly recorded in the report indicating whether conclusive evidence substantiating the fact that theft of energy was found or not. The authorized officer may also take photo or prepare a diagram illustrating the arrangements found to have been made for theft of electricity, wherever feasible and such photo or diagram shall form a part of inspection report.**

**(3) In case of suspected theft by tampering of meter or metering equipment, meter connection security seal or by replacing original seal by bogus seal, the meter shall be removed and sealed and a separate report shall be prepared on the condition of the meter and metering equipment removed and sealed. At the time of sealing, signatures of the accused person and also of the officers of licensee concerned and any other witness shall be obtained on this report. This report shall also form a part of the inspection report. The supply shall be restored through a meter tested in a accredited test laboratory and metering equipment of appropriate rating. In such cases, the licensee concerned shall also verify the connected load at the premises and record details of equipment found in the premises, in the inspection report.**

**(4) In cases where the theft of electricity by by-passing the meter or metering equipment is detected and the electrical load, fully or partially, or the accused person's connection is found connected directly with the lines, cables or electrical plant, electric supply to such premises shall be disconnected forthwith on the spot by the licensee concerned and shall be restored only after the cause of theft is removed to the satisfaction of the licensee concerned and the accused person gives an undertaking to pay charges of assessment bill, with due opportunity to him for making representation.**

**(5) In cases of theft by direct tapping from the licensee's lines, cables or electrical plant of the licensee, if the accused person unauthorizedly connects or reconnects any meter of the licensee in a disconnected service, then electric supply to such premises or place shall be disconnected forthwith by the licensee concerned. The licensee concerned may subsequently remove or divert or convert his line, cable or electrical**

*plant to prevent further theft of electricity provided that such action shall not result in any inconvenience in affording quality supply or disruption of supply, to other consumers.*

*(6) The authorized officer and any other officer of the licensee concerned who accompanied the authorized officer shall sign the inspection report in all the above cases and obtain signatures of the accused person or his representative and the same must be handed over to the accused person or his representative at site immediately under proper receipt. In case of refusal by the accused person either to sign or accept or give a receipt, a copy of inspection report must be pasted at a conspicuous place in or outside the premises and a note recorded on the office copy of the inspection report to the effect that the copy of the report has been pasted at the conspicuous place of the premises. A copy of the report shall be subsequently sent to the accused person of the premises under registered post within three days of inspection.*

*(7) Where it is established that there is a case of theft of energy, the authorized officer shall assess the quantum of energy consumption for the past twelve months as per the assessment formula given in Form 8 in Appendix to this code and prepare provisional assessment order for the charges for such consumption at two times of the tariff applicable (i.e) the applicable tariff for the purpose for which the pilfered energy was used) and serve on the accused person under proper receipt. The authorized officer may reduce the period for such billing if it is established by the facts or documents submitted in the representation of the accused person or any such other evidence observed by the authorized officer. Wherever electronic meters are installed and the load curves are studied periodically, the period of theft could be limited to the exact period as could be determined scientifically. The authorized officer shall record reasons for such reduction in the period of billing, in the assessment order. The energy consumption arrived at as per the formula referred to in the said Form 8 will be charged excluding the energy consumption recorded by the meter as per the rates specified by the Commission's Tariff Order.*

*(8) Within five days of inspection, the authorized officer shall serve on the accused person, provisional assessment order in the Form 9 in Appendix to this code for the charges for the theft of electricity based on the evidence recorded during the course of inspection. The order should clearly state the time, date and place at which the reply has to be submitted and the designation/address of the officer to whom it should be addressed. The accused person shall be required to submit his representation within seven days of issue of the provisional assessment order.*

*(9) In case of suspected theft through a tampered meter, such tampered meter taken out and sealed at the time of inspection, as prescribed in sub regulation (3), shall be sent to the third party accredited meter testing laboratory as arranged by the licensee concerned or to the Chief Electrical Inspector to the State Government till such time the third party meter testing arrangement is established by the licensee concerned. The accused person shall be given a notice of seven working days for witnessing the test of such meter at such meter testing laboratory. The notice shall clearly indicate the time, date and place wherein the suspected tampered meter shall be tested and the accused person shall be allowed to witness the test. The accused person shall duly sign the test results report after witnessing it. If such accused person does not turn up at the meter testing laboratory on the appointed date and time indicated in the notice to witness the test or refuses to sign the test results, the licensee concerned shall carryout the test in the absence of such accused person / refusal to sign the test results and shall send a copy of results to the accused person through registered post within three days of the date of testing.*

*(10) In cases where the meter has been tested at such meter testing laboratory and where it is established that there is a case of theft of energy, the procedure for assessment as specified in sub regulation (7) shall be followed.*

**(11) In case the accused person does not respond to the provisional order within seven working days, the licensee concerned may proceed to initiate the recovery against the provisional assessment order.**

**(12) Within seven working days from the date of submission of such accused person's reply, if made within the seven working days from the date of receipt of provisional assessment order, the authorized officer shall arrange a personal hearing with such accused person. For this purpose the authorized officer shall serve a three days notice to such accused person to allow him for a personal hearing and shall also allow any additional submission of new facts or documents if any, during the course of hearing by such accused person. If such accused person does not respond to the notice in the matter, the authorized officer shall proceed to issue the final assessment order, as per the procedure specified herein after.**

**(13) Before the personal hearing, the authorized officer before whom personal hearing shall be conducted, shall analyze the case after carefully considering all the documents, submissions by the accused person, facts on record and the consumption pattern, whatever available.**

**(14) The authorized officer shall also compute the quantum of energy consumption for the past twelve months. The Assessment Officer may study the energy consumption pattern of the Service Connection concerned for the past one year or more. If necessary, it may also be compared with the load/production pattern or output of the service connection. In case of suspected theft, if consumption pattern is commensurate with the assessed consumption or in case of the decision that the case of suspected theft is not established, no further proceedings shall be taken and the decision shall be communicated to the accused person under proper receipt within three working days.**

**(15) Considering the facts submitted by the accused person the authorised officer shall pass, within seven working days from the date of enquiry, a final assessment order in Form 10 in Appendix to this code. If the accused person does not respond to the personal hearing, the authorised officer shall issue a final assessment order within fifteen days from the issuance of provisional assessment order. Final assessment order shall contain a brief of inspection report, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same and the assessment charges as per sub-regulation (12). In the final assessment order, charges, if any, paid by the accused person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.**

**(16) The accused person shall be required to make the payment within seven working days of receipt of final assessment order.**

**(17) The authorized officer may, taking into consideration the financial position and other conditions of the accused person, extend the last date of payment or approve the payment to be made in instalments on a written request made by the accused person and an undertaking is given by him to abide by the schedule of payment along with surcharge due, as per rules. The amount, the extended last date and or time schedule of payment in instalments should be clearly stated in the speaking order. A copy of the speaking order shall be handed over to the accused person under proper receipt on the same day.**

**(18) In case of default in payment of the assessed amount, including default in payment of any of the scheduled instalments permitted by the authorized officer and agreed by the accused person, the licensee concerned shall, after giving a fifteen days' notice in writing, disconnect the supply of electricity, remove meter and service line and also electrical plant for giving supply to this connection. However if the accused person makes payment within notice period, surcharge applicable to that category shall also be payable as prescribed in this code.**

**(19) In case where the theft of electricity in the premises which does not have regular electricity connection, has been detected and the licensee concerned shall**



***forthwith disconnect the supply to such premises. In such premises supply shall be restored only after the accused person has cleared the dues to be paid on account of charges assessed for theft of electricity in full and has availed a regular new connection after completing the required formalities.***

***(20) If the accused person does not make payment, the licensee concerned may proceed to recover its dues against such order and take such further action as is permitted under the Act.***

***(21) If no person is available to whom the provisional or final assessment order can be served with reasonable diligence or if any person refuses to accept or avoids to receive such order, it shall be affixed at the inspected premises in the presence of two witnesses and in such case an endorsement to the effect shall be made in the copy of such order. An assessment order so affixed shall be deemed to have been duly served to the person or occupier of the premises.***

***(22) In all the above cases, except the cases for which compounding money has already been collected, the licensee shall file a complaint as provided for in section 151 of the Act, against the accused person suspected to have committed the theft of electricity on the basis of the materials collected by the authorized officer who has conducted the inspection. In case of compounding the notice as in Form 11 in Appendix to this code may be issued and the amount collected as per section 152 of the Act.***

***Explanation: For the purpose of this regulation and regulation 23-BB:***

***(a) “accused person” shall mean and include the owner or occupier of the premises or his authorized agent or representative or any other person who is in occupation or possession or in charge of the premises at the relevant time of detection of theft of electricity or any other person who has been benefited by the theft of electricity .***

***(b) “authorised officer”, shall in case if he is not an officer of the licensee concerned, mean and include an officer designated or appointed as an authorised officer by the State Government for the purpose of dealing with theft of electricity as provided in the Act, including the assessment of theft of energy empowered under this code.***

***(c) “licensee concerned “ means and includes the licensee or his franchisee or his authorized agent or representative who alleges the occurrence of theft of electricity.***

<sup>3</sup> ***Inserted as per Commission’s Notification No.TNERC/SC/7-27, dated 27-05-2011(w.e.f. 15-06-2011)***

## **(B) Theft of electric lines and materials**

(1) Section 136 of the Act, which deals with theft of electric lines and materials, reads as follows :

“(1) Whoever, dishonestly,—

(a) cuts or removes or takes away or transfers any electric line, material or meter from a tower, pole, any other installation or place of installation or any other place, or site where it may be rightfully or lawfully stored, deposited, kept, stocked, situated or located, including during transportation, without the consent of the Licensee or the owner, as the case may be, whether or not the act is done for profit or gain; or

(b) stores, possesses or otherwise keeps in his premises, custody or control, any electric line, material or meter without the consent of the owner, whether or not the act is committed for profit or gain; or

(c) loads, carries, or moves from one place to another any electric line, material or meter without the consent of its owner, whether or not the act is done for profit or gain, is said to have committed an offence of theft of electric lines and materials, and shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

(2) If a person, having been convicted of an offence punishable under sub-section (1) is again guilty of an offence punishable under that sub-section, he shall be punishable for the second or subsequent offence for a term of imprisonment which shall not be less than six months but which may extend to five years and shall also be liable to fine which shall not be less than ten thousand rupees.”

<sup>1</sup>[(BB) The measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter are detailed below:

(1) The licensee shall arrange for routine testing and certification of different meters as stipulated in the Central Electricity Authority (Installation and Operation of Meters) Regulations 2006 and in any other directions issued by the Commission.

(2) The licensee shall arrange to provide pilfer proof meter boxes and meters with anti tampering features as stipulated in the regulations made by Authority under the Act on Installation and Operation of Meters in all industrial new connections and at least in 10% existing industrial connections every year. This may be extended to other categories whose load / demand is more than 18.6 KW.

(3) All new Industrial, HT and EHT metering systems shall be immune to external influences like magnetic induction, vibration, electrostatic discharge, switching Transients, Surge Voltages, oblique suspension, harmonics or any other factor. This may be extended to other categories whose existing contracted load / demand is more than 18.6 KW.

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<sup>1</sup>. Inserted as per Commission's Notification No.**TNERC/SC/7-4 dated 25-5-2007 ( w.e.f. 13-06-2007)**

(4) The licensee shall arrange for regular and surprise inspection of premises by their officers to ensure prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. At least 5% of total connections should be inspected annually and the provisions contained in Sections 126 and 135 (2) shall be effectively implemented.

(5) Priority shall be given to detection of theft of electricity cases by the licensee, particularly in theft prone areas.

(6) The licensee shall evolve a system and put in place within three months for carrying out regular monthly monitoring of consumption of high value consumer, which shall include all the HT connections and LT connections having contract demand of 18.6 KW and above. Variations in the consumption shall be carefully analyzed. The licensee shall arrange prompt inspection in doubtful cases.

(7) The licensee shall endeavour to install remote metering devices on all HT connections on priority, and may be implemented over a period of time after analysing cost economics, for the purpose of monitoring of consumption and prevention of theft of electricity. The licensee shall further endeavour to install remote metering devices on high value LT connections.

(8) The licensee shall arrange to give due publicity through the media, TV, newspaper and by displaying in boards at consumer service related offices of the licensee to bring awareness regarding the level of commercial losses due to theft or unauthorized use of electricity, its implication on the honest consumers and seek the co-operation of the consumers for prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. The licensee shall also display boards containing the information on the above at its consumer service related offices.

(9) The licensee shall arrange to display feeder wise losses, efforts made for prevention of diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter and results obtained during the year, on its website.

(10) The licensee shall arrange to provide requisite security staff to the inspecting officers for their safety and expenses on such account shall be a pass through in the Annual Revenue Requirement of the licensee. Such security staff shall invariably accompany the inspecting officers in order to ensure safety of the inspecting officer.

(11) The licensee shall arrange to install meter on distribution transformers of the suspected area where the possibilities of theft of electricity exists and shall monitor the consumption of such meters with the consumption of individual consumer meters connected to the distribution transformer. The licensee shall carryout intensive inspection in areas, if the difference in consumption of the distribution transformers meter and individual consumer meters connected to the distribution transformer is abnormal.

(12) The licensee may provide HV distribution system in theft prone areas using small capacity distribution transformer, wherever necessary, to prevent theft by direct hooking.

(13) The licensee is authorized to relocate the meters of existing consumers to an appropriate location so that it is outside the premises but within the boundary wall and easily accessible for reading, inspection/testing and other related works.

(14) The licensee shall ensure that meter readers are rotated in such a manner that their area of meter reading is changed at least once in a year. ]

### **(C) Punishment for receiving stolen property**

(1) Section 137 of the Act, which deals with punishment for receiving stolen property, reads as follows :

“Whoever, dishonestly receives any stolen electric line or material knowing or having reasons to believe the same to be stolen property, shall be punishable with imprisonment of either description for a term which may extend to three years or with fine or with both.”

### **(D) Interference with meters or works of Licensee**

(1) Section 138 of the Act, which deals with interference with meters or works of Licensee reads as follows:

“(1) Whoever,—

(a) unauthorizedly connects any meter, indicator or apparatus with any electric line through which electricity is supplied by a Licensee or disconnects the same from any such electric line; or

(b) unauthorizedly reconnects any meter, indicator or apparatus with any electric line or other works being the property of a Licensee when the said electric line or other works has or have been cut or disconnected; or

(c) lays or causes to be laid, or connects up any works for the purpose of communicating with any other works belonging to a Licensee; or

(d) maliciously injures any meter, indicator, or apparatus belonging to a Licensee or willfully or fraudulently alters the index of any such meter, indicator or apparatus or prevents any such meter, indicator or apparatus from duly registering;

shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to ten thousand rupees, or with both, and, in the case of a continuing offence, with a daily fine which may extend to five hundred rupees; and if it is proved that any means exist for making such connection as is referred to in clause (a) or such re-connection as is referred to in clause (b) , or such communication as is referred to in clause (c), for causing such alteration or prevention as is referred to in clause (d), and that the meter, indicator or apparatus is under the custody or control of the consumer, whether it is his property or not, it shall be presumed, until the contrary is proved, that such connection, reconnection, communication alteration, prevention or improper use, as the case may be, has been knowingly and willfully caused by such consumer.”

### (E) Negligently breaking or damaging works

(1) Section 139 of the Act, which deals with negligent usage, reads as follows:

“Whoever, negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees.”

### (F) Penalty for intentionally injuring works

(1) Section 140 of the Act, which deals with the penalty for maliciously wasting electricity or injuring works, reads as follows:

“Whoever, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees.”

### (G) Extinguishing public lamps

(1) Section 141 of the Act, which deals with penalty for extinguishing public lamps, reads as follows:

“Whoever, maliciously extinguishes any public lamp shall be punishable with fine which may extend to two thousand rupees.”

## 24. Compounding of offences

<sup>1</sup>[(1) Compounding of offences shall be done in accordance with section 152 of the Act.

<sup>1</sup>Substituted as per Commission's No **TNERC/SC/7-19 /dated, 06.05.2010 (w.e.f. 26-06-2008)** which before substitution stood as under :

**(1) Section 152 of the Act which deals with compounding of offences reads as :**

“(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), the Appropriate Government or any officer authorized by it in this behalf may accept from any consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under this Act, a sum of money by way of compounding of the offence as specified in the Table below :

Nature of Service (1)	Rate at which the sum of money for Compounding to be collected per Kilowatt (KW) / Horse Power (HP) or part thereof for Low Tension (LT) supply and per Kilo Volt Ampere (KVA) of Contracted demand for High Tension (HT) (2)
1. Industrial Service	twenty thousand rupees ;
2. Commercial Service	ten thousand rupees ;
3. Agricultural Service	two thousand rupees ;
4. Other Services	four thousand rupees ;

Provided the Appropriate Government may, by notification in the official Gazette, ended the rates specified in the Table above.

(2) On payment of the sum of money in accordance with sub-section (1), any person in custody in connection with that offence shall be set at liberty and no proceedings shall be instituted or continued against such consumer or person in any criminal court.

(3) The acceptance of the sum of money for compounding an offence in accordance with sub-section (1) by the Appropriate Government or an officer empowered in this behalf shall be deemed to amount to an acquittal within the meaning of Section 300 of the Code of Criminal Procedure, 1973 (2 of 1974).

(4) The compounding of an offence under sub-section (1) shall be allowed only once for any person or consumer”]

(2) In case the Government of Tamil Nadu has notified the rate for compounding in accordance with the proviso to sub section (1) of section 152 of the Act, the same shall apply for the purpose of compounding.]

## **25. Power for Licensee to enter premises and to remove fittings or other apparatus of Licensee**

(1) Section 163 of the Act provides for the powers for Licensee to enter premises and reads as:

“(1) A Licensee or any person duly authorized by a license may, at any reasonable time, and on informing the occupier of his intention, enter any premises to which electricity is, or has been, supplied by him, of any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him for the purpose of—

- (a) Inspecting, testing, repairing or altering the electric supply-lines, meters, fittings, works and apparatus for the supply of electricity belonging to the Licensee; or
- (b) Ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or
- (c) Removing where a supply of electricity is no longer required, or where the Licensee is authorized to take away and cut off such supply, any electric supply-lines, meters, fittings, works or apparatus belonging to the Licensee.

(2) A Licensee or any person authorized as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier, —

- (a) enter any premises or land referred to in sub-section (1) for any of the purposes mentioned therein;
- (b) enter any premises to which electricity is to be supplied by him, for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.

(3) Where a consumer refuses to allow a Licensee or any person authorized as aforesaid to enter his premises or land in pursuance of the provisions of sub-section (1) or, sub-section (2), when such Licensee or person has so entered, refuses to allow him to perform any act which he is authorized by those sub- sections to perform, or fails to give reasonable facilities for such entry or performance, the Licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer.”

**26. Code to be read along with Distribution Code, Electricity Act 2003 and amendments etc.,**

(1) As this Code is intended to deal with the working relations between the Licensee and the consumer, this Code shall be read along with the Distribution Code, the State Grid Code and other relevant provisions of the Act, rules and regulations made there under pertaining to supply and consumption of electricity.

(2) Where any of the provisions of this Code is found to be inconsistent with those of the Act, rules or regulations made there under, notwithstanding such inconsistency, the remaining provisions of this Code shall remain operative.

(3) Where any dispute arises as to the application or interpretation of any provision of this Code, it shall be referred to the Commission whose decision shall be final and binding on the parties concerned.

(4) Wherever extracts of the Electricity Act 2003 are reproduced, any changes / amendments to the original Act shall automatically be deemed to be effective under this Code also.

## CHAPTER 5 : CODE REVIEW PANEL

### 27. Appointment of Code Review Panel

<sup>4</sup>[(1) The Commission may appoint a Code Review Panel (hereafter in this Chapter referred to as "Panel") consisting of

- (a) A Chairperson at the level of Director of the Distribution Licensee.
- (b) A Member Secretary, who shall be the Chief Engineer/Commercial of the Distribution Licensee.
- (c) One Member from the SLDC who is not below the rank of Chief Engineer.
- (d) Three representatives from the Distribution Licensees who are not below the rank of Chief Engineer and one representative from the Distribution Licensee who is not below the rank of Chief Financial Controller.
- (e) One representative from LT domestic consumer sector, one from LT commercial sector, one from LT industry sector and one from LT agricultural consumer sector.

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<sup>1</sup>.Substituted as per Commission's Notification No. **TNERC/SC/7-14, dated, 29-06-2009** (w.e.f. **22-7-2009**) which before substitution stood as under:

(a) **A Chairman who is not below the rank of Chief Engineer or an equivalent cadre from STU.**

(b) **A Member Secretary, who is an officer not below the rank of a Superintending Engineer or an equivalent cadre from STU.**

(c) **One Member from the SLDC.**

(d) **One representative from each of the distribution Licensees.**

<sup>2 and 3</sup> Substituted as per Commission's Notification No. **TNERC/SC/7-23 dated 14-3-2011** (w.e.f. **30-3-211**) which before substitution stood as under:

d) "One representatives from each of the distribution Licensee who is not below the rank of Chief Engineer."

f) "One representative from domestic consumer sector, one from LT industry sector and one from agricultural consumer sector".

<sup>4</sup>.Substituted as per Commission's Notification No. **TNERC/SC/7-36, dated, 01-07-2014** (w.e.f. **06-08-2014**) which before substitution stood as under

**(1) The Commission may appoint a Code Review Panel (hereafter in this Chapter referred to as "Panel") consisting of**

(a) <sup>1</sup>**[A Chairman who is a member of the Commission.**

(b) **A Member Secretary, who is not below the rank of Chief Engineer of STU.**

(c) **One Member from the SLDC who is not below the rank of Chief Engineer.**

(d) <sup>2</sup> **[Three representatives from each of the distribution Licensees who are not below the rank of Chief Engineer].**

(e) **One Member from Rural Electricity Co-operatives Societies if any.**

[(f) <sup>3</sup>**[Two representatives from domestic consumer sector, one from LT**

(g) **One Member representing the EHT / HT consumers.**

(h) **One member representing captive / non-conventional energy source.**

**(2) The panel may, from to time, and in any case, at least once in three months and shall, when so required by the Commission, meet to consider changes or modifications to the Code as may be warranted. <sup>1</sup>[The Member Secretary shall arrange for the panel meeting in consultation with the Chairman of the Code Review Panel. The tenure of the members mentioned under clauses (f), (g) and (h) of sub-regulation (1) shall be three years. The Commission shall have powers to re-nominate any member on expiry of his / her term].**



- (f) One member representing the EHT/HT consumers.
- (g) One member representing open access consumers.

(2) The Member Secretary shall arrange for the Panel meeting. The tenure of the members mentioned under clauses (a), (f) and (g) of sub-regulation (1) shall be three years. The members, on expiry of their term are not eligible for re-nomination.]

(3) The functions of the panel are-

(a) to review the working of various provisions of this Code, <sup>2</sup>[\*\*\*]and the Distribution Code.;

(b) to consider the suggestions received from Licensees, consumers and other interested persons;

(c) to consider and offer its views on any specific matter as may be referred to it by the Commission.

(4) Manner of reviewing the Code:—

(i) Any Licensee, consumer or other interested persons desiring any change in this Code shall send the proposal in writing to the Panel specifying the reasons for such change and setting out the attendant circumstances. For this purpose, the Licensee may hold meetings with the consumer or group of consumers if it is considered that the Code may require changes to meet the individual requirements of the consumer or group of consumers.

(ii) The Panel shall, upon receipt of such proposal or where the Commission has made a reference, forward the same to the STU for its consideration and written comments.

(iii) The Panel shall convene a meeting of its members to consider the comments of the STU, and if necessary at its discretion, invite and hear the person who made the suggestions for change and other interested persons and also the local authorities and telecommunication companies.

(iv) The Panel may, in considering the suggestion and the comments of the STU thereon, set up sub committees to study the related issues.

(v) The Panel after finalizing its views on the modifications to the Code, forward the same to the Commission:

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<sup>1</sup>.. Inserted as per Commission's Notification No. **TNERC/SC/7-14**, dated **29-06-2009** (w.e.f. **22-07-2009**) **which after substitution is as follows:**

**(2) The panel may, from to time, and in any case, at least once in three months and shall, when so required by the Commission, meet to consider changes or modifications to the Code as may be warranted. <sup>1</sup>[The Member Secretary shall arrange for the panel meeting in consultation with the Chairman of the Code Review Panel. The tenure of the members mentioned under clauses (f), (g) and (h) of sub-regulation (1) shall be three years. The Commission shall have powers to re-nominate any member on expiry of his / her term].**

<sup>2</sup>.. The words "the State Grid Code" omitted as per the Commission's Notification No. **TNERC/SC/7-4** dated **25-05-2007** (w.e.f **13-06-2007**)

Provided that the Panel may supplement its own procedure in addition to the procedure laid down herein for conducting its meetings and in carrying out its functions.

(5) The Commission may approve the changes with or without modification as it may deem fit and cause the publication of the same in such manner as may be necessary

**(By Order of the Tamil Nadu Electricity Regulatory Commission)**

**R.V. Rajah**  
*Secretary*

<sup>1</sup>[Appendix] FORM-1 [Refer to Regulation 5(7)]

To

The Designated Engineer,

.....,

.....

I, Thiru ..... (S/o)/ (D/o)/ (W/o)  
..... aged ..... Years, am residing at

(Full Address & Phone No.)

.....

.....

.....

.....

The premises bearing Door No. .... Name of  
Street..... Village / Town

..... Taluk with Service Connection No. ....  
Tariff ..... Distribution

..... In the name of  
.....

S/o..... is in my possession.

(1) The Xerox copy of the sale deed in my favour for the said premises  
is enclosed.

or

The property tax receipt for the above property is given in my name  
and Xerox copy of the same duly attested by  
Gazetted Officer is enclosed.

or

Metro Water / Sewerage Connection is given in my name and the  
Xerox copy of the same duly attested by Gazetted  
Officer is enclosed.

or

Legal Heirship Certificate from the Tahsildar concerned

(2) Application and Agreement Form

(3) Indemnity Bond on Rs.80/- Non-judicial stamp paper ( Applicable in  
the case of name transfer due to legal succession)

I undertake to pay amounts outstanding against the Account No. ....  
which are found to be due at a later date.

I request that the name of Service No. .... may kindly be  
changed to my name.

Signature of transferee,  
Full Address.

Place:

Date :

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<sup>1</sup>. Inserted as per as per the Commission's Notification No. **TNERC/SC/7-4 dated 25-05-2007**  
(w.e.f **13-06-2007**)

**1. FORM-2**  
**NAME TRANSFER FORMS [REFER TO REGULATION 5 (7)]**  
(To be used as a consent letter from transferor in case of sale etc.)

To  
The Designated Engineer / .....

Address of the Licensee Engineer  
I.....(S/o. .... D/o. .... W/o.)  
.....owner of premises bearing Door No. ....(Name of  
the Street ..... Place .....) hereby give my consent for the  
transfer ..... of ..... service ..... bearing  
A/c. No. ....standing in my name / in the name of ..... to Thiru/Tmty.]  
.....S/o. D/o. W/o. ....since I had sold  
my house to him/her.....

The transfer may be effected with available deposit / subject to the condition  
that the transferee pays the security deposit and other charges \*.

Signature of transferor,  
Full Address.

Place

Date

\* Strike out the portion not required

**FORM-3 [Refer to Regulation 5(7)]**  
**INDEMNITY BOND**

**Sub:** Electricity – ..... Distribution – Transfer of Security  
Deposit and Service Connection – Premises  
No. ....A/c. No.....

I.....son ..... of/ ..... daughter ..... of/ ..... wife ..... of  
Thiru./Tmty.....do ..... hereby ..... declare ..... that  
Thiru./Tmty.....owner of the above premises has expired  
on.....and I am the legal heir to the deceased, I desire to have the  
security deposit and service connections transferred in my name. I agree to  
indemnify the Licensee against any losses, damages etc., arising consequent on  
any disputes by reason of the security deposit and service connections being  
transferred to me as the legal heir to the property of late Thiru.

The Licensee shall have the right to proceed against me not only in  
respect of movable and immovable properties belonging to me but also against  
me personally in regard to all liabilities past, present and future claims relating to  
this service connection. The above facts are certified to be correct.

SIGNATURE OF THE CONSUMER

**Signed before me**

**Notary Public / Gazetted Officer**

**Station**

**Date**

**FORM-4 [Refer to Regulation 5(7)]**

**UNDERTAKING**

Whereas I/We .....S/o. D/o.  
W/o..... (a firm under the name and style  
of)..... herein after called  
consumer, have approached the (Name of Licensee) herein after referred to  
as Licensee for transfer of A/C No.....for supply at  
.....in my/our name and where as the Licensee  
after perusal of documents produced by me/us has agreed to effect transfer of  
account, as sought for by the consumer, this undertaking witness the  
following:

The consumer shall pay on demand and without demand all dues to the Licensee including such dues as may become payable as a result of revision of bills relating to the period prior to the transfer of account in his/her/their name. The commitment to pay the demands relating to the period prior to the transfer of account will include such demands omitted to be made periodically and such omission has been detected after the service has been transferred in the name of the consumer.

2. The Consumer agrees that the Licensee shall have the right to enforce disconnection of supply in the event of consumer failing to fulfill the obligation of this undertaking.

3. The consumer further agrees to indemnify the Licensee against any loss/damage or any other liability, the Licensee may suffer as a result of any dispute or disputes raised by the consumer himself/herself/themselves or by any other party with regard to this transfer of account at any time.

SIGNATURE

WITNESS WITH ADDRESS

- 1.
- 2.

**FORM-5 [Refer to Regulation 22(8)]**

**UNDERTAKING FOR PAYMENT OF DUES IN INSTALLMENTS.**

Undertaking to be furnished by a consumer who seeks to avail the facility of paying his dues in installments

From

To  
The Designated Engineer  
Distribution Licensee Name and address

**UNDERTAKING**

Sir,

In consideration of my/our paying the amounts in installments towards  
.....

I, for and on behalf of .....undertake -

(i) to pay the total dues of Rs. ....(Rupees.....)  
in monthly installments subject to levy of Belated Payment Surcharge in case  
of default to pay the installment on the dates specified below-First installment  
Rs. ....payable on or before ..... Second installment Rs.  
.....payable on or before ..... Third installment Rs.  
.....payable on or before and so on

(ii) to adhere strictly to the schedule of installments and also to pay  
before the due dates the monthly/bi-monthly current consumption charges  
failing which the supply may be disconnected without further notice and the  
re-connection may be effected only on settlement of the entire (including  
balance installment) dues with Belated Payment Surcharge for the  
installments not paid on the due date.

Signature

(Seal of the Company)

In the presence of-Witness

(Name and Address)—

(1)

(2)

**FORM 6**  
**(Refer to Regulation 20 )**  
**FORM OF APPEAL TO THE PRESCRIBED APPELLATE AUTHORITY**  
**UNDER SECTION 127 (1) OF THE ACT**

- (1) Appeal No. \_\_\_\_\_ of .....
- (2) Name and address of the Appellant
- (3) Designation and address of the Assessing  
Officer passing the Order
- (4) Date of communication of the Order  
appealed against to the Appellant
- (5) Address to which notices may be  
sent to the Appellant
- (6) Amount ordered to be paid
- (7) Whether the <sup>1</sup>[half] of the assessed  
amount as required under  
Section 127 (2) of the Act is deposited  
(Documentary proof of the deposit shall be  
furnished)
- (8) Statement of facts  
(here state the facts briefly)
- (9) Grounds of Appeal  
(Here set out the grounds on which the appeal is made by the  
Appellant)
- (10) Whether the Appellant wishes to be heard in person or through an  
Advocate or authorised  
representative
- (In case if the Appellant wishes to be represented by his authorised  
representative or by an Advocate then a Letter of Authority authorising the  
authorised representative to represent on his behalf or as the case may be, a  
Vakkalat authorizing the Advocate to represent his case shall be furnished)
- (11) Relief prayed for
- Signature of the  
Signature of the Appellant  
authorised representative  
if any

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<sup>1</sup>Substituted for the expression “one third” as per Commission’s Notification No.  
**TNERC/SC/7-15, dated 09-10-2009 (w.e.f. 15-06-2007)**



**FORM 7**

**Affidavit in support**

**(Refer to regulation 20)**

**BEFORE THE APPELLATE AUTHORITY UNDER SECTION 127 (1) OF ACT**

APPEAL No.

(To be filled by the Office of the Appellate Authority)

Name and Address of the Appellant  
Designation and Address of the  
Assessing Officer

APPELLANT  
RESPONDENT

Affidavit of Verification by the Appellant in support of the Appeal Petition  
filed by him.

I, ..... son of  
.....aged ..... residing at  
..... do solemnly affirm and  
say as follows:

1. I am the Appellant / Authorised Representative of the Appellant in  
the Appeal Petition filed by me against the orders of the Assessing Officer  
referred to above as the Respondent in my Appeal Petition and as such I am  
competent to verify the facts set out in my Appeal Petition.

2. I solemnly affirm at..... on this day of ..... that

(i) the contents of the above appeal petition are true to my  
knowledge and I believe that no part of it is false and no material has been  
concealed there from.

(ii) that the statement made in paragraphs..... of the appeal  
petition herein now shown to me and marked with the letter 'A' are true to my  
knowledge and that.

(iii) the statements made in paragraphs..... Marked with the letter  
' B' are based on information received from ..... and I believe them to be  
true.

Identified before me by :

Signature of the Appellant

**List of Abbreviations**

1. DD - Demand Draft
2. HP - Horse Power
3. ISI - Indian Standards Institute
4. KVA - Kilo volt Ampere
5. KW - Kilo Watt
6. SLDC - State Load Despatch Centre

### Form 8

#### [See Regulation 23 (AA) (7)]

### **FORMULA TO ASSESS THE QUANTUM OF ENERGY IN CASE OF THEFT OF ELECTRICITY**

The following factors are to be considered to arrive at a formula for the assessment of quantum of energy in case of theft of electricity.

- (i) Nature of Service
- (ii) Connected load / Contracted demand
- (iii) Load factor
- (iv) Nature of feeder (Rural / Urban / Industrial) and supply restrictions in the feeder
- (iv) Per day usage hours for which assessment has to be made.

The authorized officer may take into account the following and arrive at the least period (duration) of theft:

- (i) for the period of twelve months
- (ii) for the period from the date of prior inspection if any by the Enforcement or meter testing wing to the date of detection
- (iii) from the date of service connection to the date of detection
- (iv) wherever electronic meters are installed and the load curves are studied periodically the period of theft could be limited to the exact period as could be determined scientifically.

(v) Based on the document produced by the accused person.

(vi) For any other reasonable period as assessed by the authorized officer to the best of his judgment

$$U = \frac{L \times LF \times H \times D}{DF}$$

Where

U = Quantum of energy Assessed in Units

L = Load / demand in KW

LF = Load factor

H = Number of hours the load is considered to be used in a day

D = Duration of assessment in days

DF = Diversity Factor

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*Inserted as per Commission's Notification No. TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)*

The following tables give the Load Factor, and the Number of hours per day usage for different categories of usage of the pilfered Energy.

**TABLE – A**

<b><i>Usage Categories of pilfered energy</i></b>	<b><i>Diversity factor</i></b>	<b><i>Load Factor</i></b>	<b><i>Number of</i></b>
Domestic (without Air conditioning load) and Huts	1	30%	12
Domestic (with Air conditioning load)	1	March to September 70%	12
		Other months 30 %	
Industrial including cottage industries power looms etc.,	1	80%	As per Table - B
Public lighting and water supply	1	100%	8
Agricultural	1	100%	10
All other categories	11	90%	12

**TABLE – B**

	<b><i>Category</i></b>	<b><i>Number of hours per day.</i></b>
1	Fed by High Tension rural feeders having only 14 hours of supply per day :-	
	i. Day Shift only	6
	ii. Night Shift only	8
	iii. Both day and night shifts	14
2.	Fed by High Tension feeders having 24 hours of supply :-	
	i. Day shift only	8
	ii. 2 Shifts	16
	iii. 3 Shifts	24

i. The term “Usage Categories” given in Table - A refers to the purpose for which the suspected pilfered energy is used. For example if the pilfered energy in a hut service connection is used for domestic purpose, the assessment shall be made under “domestic category”, if it is used for commercial purpose, it shall be assessed under “all other categories” as mentioned in the above Table - A.

ii (a) For High Tension Service connections, the maximum demand shall be assessed as 75% of the total connected load at the time of inspection subject to a minimum of the contracted demand. A power factor of 0.90 lag may be used for conversion of KVA or KW.

(b) Assessment of demand charges:-

Twice the appropriate H.T. tariff rate for maximum demand.

\*\*\*

**[Form 8-A**

[(See proviso of clause 23 (AA)( 7)]

FORMULA TO ASSESS THE QUANTUM OF MISUSED ENERGY IN THE CASE WHOEVER DISHONESTLY USES ELECTRICITY FOR THE PURPOSE OTHER THAN FOR WHICH THE USAGE OF ELECTRICITY WAS AUTHORIZED AS REFERRED IN SECTION 135 (1)(e) OF THE ELECTRICITY ACT 2003

**i) Quantum of misused energy,  $U = a \times (b / c)$  kWh**

where

a - Total consumption recorded during the preceding period of existence of such violations limited to a specified period

b – misused load found at the time of inspection

c – total connected load found at the time of inspection

**(ii) Penal charges on account of unauthorized use of energy**

$$= (2 \times U \times d) - (U \times e)$$

where

U - Quantum of misused energy, kWh

d - Tariff of unauthorized use

e - Tariff of authorized use

**(iii) Period of unauthorized use**

The authorized officer may take into account the following and arrive at the least period (duration) of unauthorized use of electricity:

(a) for the period of twelve months

(b) for the period from the date of prior inspection if any by the licensee's officer

to the date of detection

(c) from the date of service connection to the date of detection

(d) wherever electronic meters are installed and the load curves are studied

periodically, the period of unauthorized use of electricity could be limited to the

exact period as could be determined scientifically.

(e) Based on the valid document produced by the accused person.

(f) For any other reasonable period as assessed by the authorized officer

to the best of his judgment ]

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\*\*\*. Inserted as per Commission's Notification No. **TNERC/SC/7-27, dated 257-05-2011** (w.e.f. **15-06-2011**)

<sup>2</sup>[

**FORM 9**

**[See Regulation 23 (AA) (8)]**

**PROVISIONAL ASSESSMENT ORDER FOR THEFT OF ENERGY  
UNDER SECTION 135/138 OF THE ELECTRICITY ACT, 2003**

From (The Authorised Officer), To Full address of the person in whose name the service connection stands (or) occupier (or) enjoyer, etc.)

Letter No.....,dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....

Provisional Assessment Order - Reg.

Ref: Inspection Report dated ...

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy ..... was inspected by me in the presence of you/your representative Thiru/Thirumathy .....

2.0\* During the inspection it was found that an offence of theft of energy has ..... been ..... committed .....  
.....  
.....

.....(describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee.

The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act, 2003.

3.0 The approximate loss caused by you due to dishonest abstraction\*/illegal restoration of supply is assessed at Rs..... (Rupees ..... ) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith.

4.0 The assessment amount as referred to above shall be paid within 7 working days from the date of receipt of this order.

5.0 If you are desirous of filing objections, if any, against the provisional assessment, you may send your explanation to the address of the undersigned with sufficient proof, within seven days from the date of receipt of this order. You may also choose to appear in person or through an authorised representative with relevant documents for an enquiry before the undersigned.

6.0 You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,

Authorised Officer.....

Encl: Copies of

1. Report
2. Statement Recorded (if any)
3. Mahazar

Copy submitted to: .....

Copy to

He is instructed to arrange to serve this order to the accused person with dated acknowledgement and send the acknowledgement to this office.

**\* Strike out whichever is not applicable.**

**FORM 10**

**[See Regulation 23 (AA) (15)]**

**FINAL ASSESSMENT ORDER FOR THEFT OF ENERGY UNDER  
SECTION 135 OF THE ELECTRICITY ACT, 2003**

From  
(The Authorised Officer),

To  
Full address of the person in whose  
name the service connection stands  
(or) occupier  
(or) enjoyer etc.)

Letter No.....,dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....  
Final Assessment Order - Reg.

Ref: 1. Provisional Assessment Order...  
2. Your reply....

\* \* \*

1.0 On.....(the day, month, year of inspection)  
at..... (time) hours the service connection in SC  
No..... located at Door No....., in SF  
No..... (Full address of the service connection) which is/was in  
the name of Thiru/Thirumathy ..... was inspected by me in  
the presence of you/your representative Thiru/Thirumathy  
.....

2.0 During the inspection it was found that an offence of theft of energy  
has ..... been ..... committed  
.....  
.....  
.....

..... (describe the actual mode of theft with details of  
artificial means found in the service/unauthorized reconnection of a  
disconnected service connection). By committing the said offence, you have  
dishonestly abstracted, consumed and used energy with the intention to  
defraud the licensee. The above said illegal abstraction, consumption and  
use of energy is punishable under section 135 of the Electricity Act 2003.

3.0 A provisional assessment was issued to you in the reference cited  
and you were allowed to file your objections and to appear for a hearing as  
per the Tamil Nadu Electricity Supply Code.

4.0 On a detailed examination and on consideration of your explanation  
offered, facts and records furnished in your letter / during the personal  
hearing, it is found that the theft of electricity has been committed by you as  
described below:-



(A reasoned/detailed order to be passed by the Officer concerned taking into consideration the theft of electricity noticed, explanation and the findings. Reference to be made to the materials in support of the claim of the licensee about the existence of theft, the involvement or the role of the consumer with reference to the said theft of energy, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same).

5.0 The loss caused by you due to dishonest\* abstraction/\*illegal restoration of supply is assessed at Rs.....(Rupees ..... ) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith. The assessment amount referred to above shall be paid within seven working days from the date of receipt of this order.

You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,

Authorised Officer.....

Encl: Copies of

1. Report
2. Statement Recorded (if any)
3. Mahazar
4. Provisional Assessment Order.

Copy submitted to:

He is instructed to arrange to serve the order to the accused person with dated acknowledgement and send the same to this office.

\* Strike out whichever is not applicable.

FORM 11

[See Regulation 23(AA) (22)]  
**COMPOUNDING OF OFFENCE UNDER SECTION 152 OF THE  
ELECTRICITY ACT, 2003.**

From  
(The Authorized Officer),

To  
[Full address of the person in  
whose name the service  
connection stands  
(or) occupier  
(or) enjoyer, etc.]

Letter No....., dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....-  
Order on Compounding Amount - Reg.

1.0 On.....(the day, month, year of inspection)  
at..... (time) hours the service connection in SC  
No..... located at Door No....., in SF  
No..... (Full address of the service connection) which is/was in  
the name of Thiru/Thirumathy ..... was inspected by me in  
the presence of you/your representative..... Thiru/Thirumathy  
.....

2.0\* During the inspection it was found that an offence of theft of energy  
has ..... been  
committed.....

..... (describe the actual mode of theft with details of artificial means  
found in the service/unauthorized reconnection of a disconnected service  
connection). By committing the said offence, you have dishonestly  
abstracted, consumed and used energy with the intention to defraud the  
licensee.

3.0 The above said illegal abstraction, consumption and use of energy is  
punishable under section 135 of the Electricity Act 2003.

4.0 As you have opted for compounding of offence under section 152 of  
the Electricity Act, 2003, you are requested to pay Rs..... (Rupees  
.....) towards the compounding of  
the offence as mentioned above.

Yours faithfully,  
Authorized Officer

Encl: Working sheet.

Copy to

1<sup>2</sup> 1

<sup>2</sup>. Substituted as per Commission's Notification No. **TNERC/SC/7-5, dated 23-8-2007 (w.e.f. 15-06-2007)** which before substitution stood as under:

**[Form 9  
[ See Regulation 23 (AA) (8)]  
Provisional Assessment order for theft of energy under section  
135/138 of the Electricity Act, 2003.]**

From (The Authorised Officer), To (Full address of the person in whose name the service connection stands (or) occupier (or) enjoyer, etc.)

Letter No....., dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....Provisional  
Assessment Order - Reg.

Ref: Inspection Report dated ...

1.0 On.....(the day, month, year of inspection)  
at.....(time) hours the service connection in SC No.....  
located at Door No....., in SF No..... (Full address of the  
service connection) which is/was in the name of Thiru/Thirumathy  
..... was inspected by me in the presence of you/your  
representative Thiru/Thirumathy  
.....

2.0 \* During the inspection it was found that an offence of theft of energy  
has ..... been ..... committed  
.....  
.....

.....(describe the actual mode of  
theft with details of artificial means found in the service/unauthorized  
reconnection of a disconnected service connection). By committing the said  
offence, you have dishonestly abstracted, consumed and  
used energy with the intention to defraud the licensee.

The above said illegal abstraction, consumption and use of energy is  
punishable under section 135 of the Electricity Act 2003.

3.0 The approximate loss caused by you due to dishonest abstraction/illegal  
restoration of supply is assessed at Rs..... (Rupees  
.....)

.....) in accordance with the regulations of the Tamil Nadu Electricity Supply  
Code, and a working sheet is enclosed herewith.

4.0 The assessment amount as referred to above shall be paid within 15  
days from the date of receipt of this order. Otherwise, the Service Connection  
is liable to be disconnected without further notice.

5.0 Extension of last date for payment or payment in instalments may be  
considered by the undersigned on a written request made by you subject to  
an undertaking to abide by the schedule of payment along with surcharge  
due, as per rules.

6.0 If you are desirous of filing objections, if any, against the provisional assessment, you may send your explanation to the address of the undersigned with sufficient proof, within seven days from the date of receipt of this order.

You may also choose to appear in person or through an authorised representative with relevant documents for an enquiry before the undersigned.

7.0 You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,  
Authorised Officer.....

Encl: Copies of

1. Report
2. Statement Recorded (if any)
3. Mahazar

Copy submitted to: .....

Copy to

He is instructed to arrange to serve this order to the accused person with dated acknowledgement and send the acknowledgement to this office.

\* Strike out whichever is not applicable.

**Form 10**  
**[ See Regulation 23 (AA) (15)]**  
**Final Assessment order for theft of energy under section 135 of the**  
**Electricity Act, 2003.**

From (The Authorised Officer), To (Full address of the person in whose name the service connection stands (or) occupier (or) enjoyer etc.)

Letter No....., dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....Final  
Assessment Order - Reg.

Ref: 1. Provisional Assessment Order...

2. Your reply....

\*\*\*

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy ..... was inspected by me in the presence of you/your representative Thiru/Thirumathy .....

2.0 During the inspection it was found that an offence of theft of energy has been committed

.....  
.....  
..... (describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee. The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act 2003.

3.0 A provisional assessment was issued to you in the reference cited and you were allowed to file your objections and to appear for a hearing as per the Tamil Nadu Electricity Supply Code.

4.0 On a detailed examination and on consideration of your explanation offered, facts and records furnished in your letter / during the personal hearing, it is found that the theft of electricity has been committed by you as described below:-

(A reasoned/detailed order to be passed by the Officer concerned taking into consideration the theft of electricity noticed, explanation and the findings. Reference to be made to the materials in support of the claim of the licensee about the existence of theft, the involvement or the role of the consumer with reference to the said theft of energy).

5..0 The loss caused by you due to dishonest\* abstraction/\*illegal restoration of supply is assessed at Rs.....(Rupees ..... ) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith. The assessment amount referred to above shall be paid within fifteen days from the date of receipt of this order. Otherwise, the Service Connection is liable to be disconnected without further notice.

6.0 Extension of last date for payment or payment in instalments may be considered by the undersigned on a written request made by you subject to an undertaking to abide by the schedule of payments along with surcharges due.

You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,  
Authorised Officer.....

Encl: Copies of

1. Report
2. Statement Recorded (if any)
3. Mahazar
4. Provisional Assessment Order.

Copy submitted to:

He is instructed to arrange to serve the order to the accused person with dated  
acknowledgement and send the same to this office.

**Form 11**  
**[ See Regulation 23(AA) (22)]**  
**Compounding of offence under section 152 of the Electricity Act, 2003.**

From (The Authorized Officer),	To Full address of the person in whose name the service connection stands (or) occupier (or) enjoyer, etc.)
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Letter No....., dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....- Order on  
Compounding Amount - Reg.

1.0 On.....(the day, month, year of inspection)  
at.....(time) hours the service connection in SC No.....  
located at Door No....., in SF No..... (Full address of the  
service connection) which is/was in the name of Thiru/Thirumathy  
..... was inspected by me in the presence of you/your  
representative..... Thiru/Thirumathy.....

2.0 \* During the inspection it was found that an offence of theft of energy  
has ..... been  
committed.....  
.....(describe the  
actual mode of theft with details of artificial means found in the  
service/unauthorized reconnection of a disconnected service connection). By  
committing the said offence, you have dishonestly abstracted, consumed and  
used energy with the intention to defraud the licensee.

3.0 The above said illegal abstraction, consumption and use of energy is  
punishable under section 135 of the Electricity Act 2003.

4.0 As you have opted for compounding of offence under section 152 of the  
Electricity Act, 2003, you are requested to pay Rs.....  
(Rupees.....)  
.....) towards the compounding of the  
offence as mentioned above.

Yours faithfully,  
Authorized officer

Encl: Working sheet.

Copy to

# **TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF REGULATIONS, 2005**

**(Notification No. TNERC/TR/5/2, dated 24-06-2005)**

**(Consolidated upto 31-03-2015)**

WHEREAS, under the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify the terms and conditions for the determination of tariff;

AND, WHEREAS, the regulations providing for the terms and conditions for determination of tariff shall be subject to previous publication and accordingly undergone previous publication;

NOW, THEREFORE, under Section 61 of the Electricity Act, 2003, read with Section 181 thereof and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations.

## **CHAPTER I**

### **Preliminary**

#### **1. Short Title, Applicability and Commencement**

- (1) These Regulations may be called “**Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for the determination of Tariff) Regulations, 2005.**”
- (2) These Regulations supersede “**“Tamil Nadu Electricity Regulatory Commission - Tariff Regulations, 2002”** published in Notification No.TNERC/TR/5 dated 19-07-2002.
- (3) They shall come into force on the date of publication in the Tamil Nadu Government Gazette.
- (4) They shall extend to the whole of State of Tamil Nadu.
- (5) They shall be applicable for determination of tariff by the Commission in accordance with Section 62 of the Act.
- (6) <sup>1</sup>[These regulations shall apply to the co-generation, captive power plants and generation of electricity from renewable sources 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]<sup>1</sup>.

## 2. Definitions

- (1) In these Regulations unless the context otherwise requires
- (a) **'Act'** means the Electricity Act 2003 (Central Act of 36 of 2003)
  - (b) **'Additional Capitalisation'** means the capital expenditure actually incurred after the date of commercial operation of the / generation station / transmission system and admitted by the Commission after prudence check subject to regulation 19;
  - (c) **'Authority'** means Central Electricity Authority referred to in Section 70 of the Act;
  - (d) **'Allotted Transmission Capacity'** means the power transfer in MW between the specified point of injection and point of drawal allowed to a long-term open access customer on the intra-state transmission system under the normal circumstances and the expression "allotment of transmission capacity" shall be construed accordingly;
  - (e) **'Auxiliary Energy Consumption' or 'AUX'** in relation to a period means the quantum of energy consumed by auxiliary equipment of the Generating Station and transformer losses within the Generating Station, and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the Generating Station;
  - (f) **'Availability'** in relation to a thermal Generating Station for any period means the average of the daily average declared capacities (DCs) for all the days during that period expressed as a percentage of the installed capacity of the Generating Station minus normative auxiliary consumption in MW, and shall be computed in accordance with the following formula:

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/TR-5/2-11 dated 13-03-2014** (w.e.f. 09-04-2014), which before substitution stood as under:

“(6) They shall not be applicable to co-generation, captive power plants and generation of electricity from renewable sources of energy including mini hydro projects (covered under Non-Conventional Energy Sources), which will be covered by a separate regulation to be specified by the Commission under clause (e) of sub-section (1) of Section 86 of the Electricity Act 2003 for promotion of such generation.”

---


$$\text{Availability} = 10000 \times \frac{\sum_{i=1}^N \text{DC}_i}{N \times \text{IC} \times (100 - \text{AUX}_n)} \%$$

where,

IC = Installed Capacity of the Generating Station in MW,

$DC_i$  = Average declared capacity for the  $i^{th}$  day of the period in MW,

N = Number of days during the period, and

$AUX_n$  = Normative Auxiliary Energy Consumption as a percentage of gross generation;

- (g) “**Beneficiary**” in relation to a generating station means the person buying power generated at such a generating station on payment of annual capacity charges;
- (h) “**Block**” in relation to a combined cycle thermal generating station includes combustion turbine – generator, associated waste heat recovery boiler, connected steam turbine – generator and auxiliaries;
- (i) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission.
- (j) ‘**Capacity Index**’ means the average of the daily capacity indices over one year;
- (k) ‘**Contracted Power**’ means the power in MW which the transmission licensee has agreed to carry or which the transmission licensee is required to carry as per firm allocation from the Generating Station or the long-term agreement between the importing and exporting utility;
- (l) ‘**Cut off Date**’ means the date of first financial year closing after one year of the date of commercial operation of the generating station / transmission system.
- (m) ‘**Date of Commercial Operation**’ or ‘**COD**’ in relation to a unit means the date declared by the generator after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run, after notice to the beneficiaries, and in relation to the generating station the date of commercial operation means the date of commercial operation of the last unit of the generating station;
- (n) ‘**Date of Commercial Operation**’ or ‘**COD**’ in relation to transmission system means the date of charging the project or part thereof to its rated voltage level or seven days after the date on which it is declared ready for charging by the transmission licensee, but is not able to be charged for reasons not attributable to the transmission licensee, its suppliers or contractors.

*Provided that the date of commercial operation shall not be a date prior to the scheduled date of commercial operation mentioned in the implementation agreement or the transmission service agreement or the investment approval, as the case may be, unless mutually agreed to by all parties.*

- (o) **'Declared Capacity'** or **'DC'** means the capability of the generating station to deliver ex-bus electricity in MW declared by such Generating Station in relation to any period of the day or whole of the day, duly taking into account the availability of fuel;

**Note :**

*In case of a gas turbine Generating Station or a combined cycle Generating Station, the Generating Station shall declare the capacity for units and modules on gas fuel and liquid fuel separately, and these shall be scheduled separately. Total declared capacity and total scheduled generation for the Generating Station shall be the sum of the declared capacity and scheduled generation for gas fuel and liquid fuel for the purpose of computation of availability and Plant Load Factor respectively.*

- (p) **'Declared Capacity'** or **'DC' relating to hydro generation**
  - (a) For run-of-river power station with pondage and storage-type power stations, declared capacity means the ex-bus capacity in MW expected to be available from the generating station over the peaking hours of next day, as declared by the generator, taking into account the availability of water, optimum use of water and availability of machines and for this purpose, the peaking hours shall not be less than 3 hours within 24 hour period, and
  - (b) In case of purely run-of-river power stations, declared capacity means the ex-bus capacity in MW expected to be available from the generating station during the next day, as declared by the generating station, taking into account the availability of water, optimum use of water and availability of machines;
- (q) **'Deemed Generation '** means the energy which a generating station was capable of generating but could not generate due to the conditions of grid or power system, etc. beyond the control of generating station;
- (r) **'Design Energy'** means the quantum of energy which could be generated in a 90% dependable year with 95% installed capacity of the hydro power generating station;

- (s) **'Existing Generating Station'** means a generating station declared under commercial operation from a date prior to the notification of these Regulations;
- (t) **'Existing Project'** means the project declared under commercial operation from a date prior to the notification of these Regulations;
- (u) **'Gross Calorific Value'** or **'GCV'** in relation to a thermal power Generating Station means the heat produced in kCal by complete combustion of one kilogram of solid fuel or one litre of liquid fuel or one standard cubic meter of gaseous fuel, as the case may be;
- (v) **'Gross Station Heat Rate' or 'GHR'** means the heat energy input in kCal required to generate one kWh of electrical energy at generator terminals;
- (w) **"Government"** means the Government of Tamil Nadu.
- (x) **'Infirm Power'** means electricity generated prior to commercial operation of the unit of a Generating Station;
- (y) **'Installed Capacity' or 'IC'** means the summation of the name plate capacities of all the units of the Generating Station or the capacity of the Generating Station (reckoned at the generator terminals) as approved by the Commission from time to time;
- (z) **'Long-Term Open Access Customer'** means a person availing or intending to avail access to the intra-state transmission system for a period specified in the TNERC Open Access Regulations.
- (aa) **'Maximum Available Capacity'** relating to hydel stations means the following:

- (a) Run-of-river power station with pondage and storage type power stations

The maximum capacity in MW, the generating station can generate with all units running, under the prevailing conditions of water levels and flows, over the peaking hours of next day,

**Explanation**

The peaking hours for this purpose shall not be less than 3 hours within a 24 hours period.

- (b) Purely run-of-river power stations

The maximum capacity in MW, the generating station can generate with all units running, under the prevailing conditions of water levels and flows over the next day.

- (bb) **'Operation and Maintenance Expenses' or 'O and M Expenses'** means 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 and administration and general expenses.
- (cc) **'Original Project Cost'** means the actual expenditure incurred by the project as per the original scope up to first financial year closing after one year of the date of commercial operation of the last unit as admitted by the Commission;
- (dd) **'Plant Load Factor' or 'PLF'** for a given period, means the total sent out energy corresponding to scheduled generation during the period, expressed as a percentage of sent out energy corresponding to installed capacity in that period and shall be computed in accordance with the following formula:

$$PLF = 10000 \times \sum_{i=1}^N SG_i / \{N \times IC \times (100 - AUX_n)\} \%$$

where,

IC = Installed Capacity of the Generating Station in MW,

SG<sub>i</sub> = Scheduled Generation in MW for the i<sup>th</sup> time block of the period,

N = Number of time blocks during the period, and

AUX<sub>n</sub> = Normative Auxiliary Energy Consumption as a percentage of gross generation;

- (ee) **'Run-of-river power station'** means a hydro electric power generating station which has no upstream pondage;
- (ff) **'Run-of-river power station with pondage' means** a hydro electric power generating station with sufficient pondage for meeting the daily variation of power demand;
- (gg) **'Storage Type power station'** means a hydro electric power generating station associated with large storage capacity to enable variation of generation of power according to demand;
- (hh) **'Scheduled Energy'** means the quantum of energy to be generated at the generating station over the 24-hour period, as scheduled by the Regional / Sub Load Despatch Centre;

- (ii) **'Scheduled Generation' or 'SG'** at any time or for any period or time block means schedule of generation in MW ex-bus given by the Regional / Sub Load Despatch Centre;

**Note :**

*For the gas turbine Generating Station or a combined cycle Generating Station if the average frequency for any time block, is below 49.52 Hz but not below 49.02 Hz and the scheduled generation is more than 98.5% of the declared capacity, the scheduled generation shall be deemed to have been reduced to 98.5% of the declared capacity, and if the average frequency for any time block is below 49.02 Hz and the scheduled generation is more than 96.5% of the declared capacity, the scheduled generation shall be deemed to have been reduced to 96.5% of the declared capacity.*

- (jj) **'Transmission licensee'**, means a person granted licence for intra-state transmission of electricity and includes STU.
- (kk) **'Transmission System'** means a line with associated sub-stations or a group of lines inter-connected together along with associated sub-stations and the term includes equipment associated with transmission lines and sub-stations;
- (ll) **'Year'** means a financial year.

***Words or expressions occurring in these Regulations and not defined herein but defined in other Regulations published by the Commission or the Electricity Act 2003 shall bear the same meaning respectively assigned to the terms in the Act / Regulations.***

## **CHAPTER II**

### **Determination of Tariff**

#### **3. Power to determine Tariff**

- (1) Under Section 62 of the Act, the Commission shall determine tariff and terms and conditions therefor in the following cases:
- (i) Supply of electricity by a Generating Company to a Distribution licensee:

*Provided that the Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for purchase or sale of electricity in pursuance of an agreement entered into between the Generating Company and a licensee or between*

*licensees for a period not exceeding one year to ensure reasonable price of electricity.*

- (ii) Intra-State transmission of electricity.
- (iii) Rates, charges and terms and conditions for use of Intervening transmission facilities, if these cannot be mutually agreed upon by the licensee as provided in Section 36 (1) of the Act.
- (iv) Wheeling of electricity.
- (v) Retail sale of electricity.

*Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Commission may, for promoting competition among distribution licensee, fix only maximum ceiling of tariff for retail sale of electricity.*

*Provided further that the consumers who are allowed open access by the Commission under Section 42 of the Act may enter into an agreement with any person / licensee for supply or purchase of electricity on such terms and conditions (including tariff) as may be mutually agreed to between them.*

- (vi) Surcharge payable by the consumer who is allowed open access in addition to the charges for wheeling under the first proviso to sub-section (2) of section 42 of the Act and in accordance with the TNERC Open Access Regulations.
- (vii) Additional surcharge on the charges of wheeling payable by a consumer who is allowed open access by the Commission under sub-section (4) of Section 42 of the Act and in accordance with the TNERC Open Access Regulations.

- (2) As provided in sub-section (5) of section 64 of the Act,

“Notwithstanding anything contained in Part X of the Act, the tariff for any interstate supply, transmission or wheeling of electricity, as the case may be, involving the territories of two States, may, upon an application made to it by the parties intending to undertake such supply, transmission or wheeling, be determined by the Commission in cases where the licensee intending to distribute electricity and make payment therefor is under the Commission's jurisdiction.”

- (3) As provided in section 63 of the Act,

“Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff if such tariff has been determined through

transparent process of bidding in accordance with the guidelines issued by the Central Government.”

#### 4. Tariff setting principles

The Commission, while determining the tariff, shall be guided by the following factors:-

- (i) The guidelines outlined in Section 61 of the Act which reads as:

“The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

  - (a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
  - (b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;
  - (c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
  - (d) safeguarding of consumers’ interest and at the same time, recovery of the cost of electricity in a reasonable manner;
  - (e) the principles rewarding efficiency in performance;
  - (f) multi year tariff principles;
  - (g) <sup>1</sup>[that the tariff progressively reflects the cost of supply of electricity and also, reduces the cross-subsidy in the manner to be specified by the Commission;]
  - (h) the promotion of co-generation and generation of electricity from renewable sources of energy;
  - (i) the National Electricity Policy and tariff policy.”

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<sup>1</sup>Substituted as per Commission’s Notification No. **TNERC/TR/5/2-4, dated 18-12-2007 (w.e.f. 06-02-2008)**, which before substitution stood as under :

**“ (g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;”**

- 
- (ii) Rationalisation of tariff
  - (iii) Avoidance of tariff shock to any category while setting the tariff to progressively reflect the cost.



- (iv) Consideration of minimum level of support required to make electricity affordable for household of very poor category.
- (v) In the process of determining tariff to progressively reflect the cost to serve each category, the Commission may endeavour to see that tariff to any category of consumers does not exceed 150% of the cost of supply and also is not less than 50% of the cost of supply.
- (vi) Adequate payment security arrangements like Letter of credit shall be ensured to Generating Companies.
- (vii) The Generating Companies shall be allowed to sell to other buyers without losing their claim on committed capacity charges in case of under recovery of these charges from alternate sales.
- (viii) For new Generating Stations, a significant part of the capacity shall be made available (as free capacity) to be sold through trading markets and the remaining capacity only shall be contracted through Power Purchase Agreement.
- (ix) The new Power Purchase Agreement shall have appropriate clauses to ensure that the contracts can be modified to align them with the emerging market structures.
- (x) The linkage of Power Purchase Agreement terms to loan tenor shall be progressively de-emphasized as the electricity markets and trading arrangements provide alternate avenues to developers for selling their output.

## **5. Filing of Aggregate Revenue Requirement**

- (1) The Distribution / Transmission licensee shall file the Aggregate Revenue Requirement (ARR) on or before 30<sup>th</sup> November of each year in the format prescribed, containing the details of the expected aggregate revenue that the licensee is permitted to recover at the prevailing tariff and the estimated expenditure.
- (2) ARR shall be filed every year even when no application for determination of tariff is made.

## **6. Procedure for making application for Determination of Tariff**

- (1) The licensee may file the application for determination of tariff in Form 1 in Annexure 1 to the TNERC Conduct of Business Regulations. The tariff

changes should normally be applied for to take effect from the 1<sup>st</sup> day of ensuing financial year and hence the application shall be filed before 30<sup>th</sup> November of Current Year along with Aggregate Revenue Requirement (ARR).

- (2) The application shall be accompanied by the fees specified in the TNERC Fees and Fines Regulations and verified by an affidavit in Form 2 specified in Annexure 2 to the TNERC Conduct of Business Regulations.
- (3) The application for determination of tariff for the existing Generating Stations and Transmission System shall be accompanied by information in the respective formats appended to these regulations duly furnishing the figures for the previous year, current year and ensuing year. The application for determination of tariff by Distribution licensees shall be accompanied by the information in the ARR formats appended to these Regulations. The information for the previous year should be based on the Audited Accounts and in case audited account of previous year are not available, the audited accounts for the immediately preceding year should be filed along with the unaudited accounts of the previous year.
- (4) If a person holds more than one licence and / or deemed to be licensee for more than one area of distribution or transmission, he shall submit separate calculation as above in respect of each licence or area of transmission or distribution. The licensee shall endeavour to separate the accounts function wise. Distribution and Supply shall be treated as separate function.
- (5) A licensee having a Generating Station shall maintain and submit separate accounts for the licensed business and Generating Station.
- (6) Transmission licensee and Distribution licensee engaged in other business for optimum utilisation of their Assets in the licensed business, shall maintain separate account for such other business and submit with tariff proposal the proportion of revenue utilised to reduce the transmission / wheeling charges as stipulated in TNERC (Licensing) Regulations.
- (7) In case of Generating Station or the Transmission system declared under commercial operation on or after the date of notification of these Regulations, an application for fixation of tariff shall be made in two stages as below:

- <sup>1</sup>[(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].

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/TR/5/2-3, dated 08-09-2007 (w.e.f 03-10-2007)**, which before substitution stood as under :

- (i) *"A licensee may make an application as per format stipulated by the Commission for determination of tariff in advance of the anticipated date of completion of the projects based on the Capital Expenditure actually incurred upto the date of making of the application or a date prior to making of application, duly audited and the provisional tariff shall be charged from the date of commercial operation of the line or sub-station of the Transmission System".*

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- (ii) A licensee shall make a fresh application in the same format as above, for the determination of final tariff based on actual capital expenditure incurred upto the date of commercial operation of the Generating Station or Transmission system duly audited and certified by the Statutory Auditors.

- (8) In case the licensee does not initiate tariff filings in time, the Commission shall initiate tariff determination and regulatory scrutiny on suo motu basis.

## **7. Decision on Application**

- (1) The application received in complete shape shall be registered and numbered as provided for in the TNERC Conduct of Business Regulations.
- (2) The applicant shall publish, for the information of public, the contents of the application in an abridged form in English and Tamil newspapers having wide circulation and as per the direction of the Commission in this regard. The copies of Petition and documents filed with the Commission shall also be made available at a nominal price, besides hosting them in the website.
- 1[(2-A) In case the applicant submits any document or proposals on its own subsequent to filing the tariff petition other than response to Commission's queries by way of prudence checks, the same shall be made through an interim application in the main application and be hosted in the website of the Commission].
- (3) The applicant shall furnish reply to the objection / suggestion if any received from the public direct to the objector with a copy to the Commission.
- (4) The Commission may conduct its proceedings in accordance with the provisions of the Tamil Nadu Electricity Regulatory Commission – Conduct of Business Regulations, 2004.
- (5) The Commission shall, within one hundred and twenty days from the date of receipt of application, issue tariff order taking all the possible suggestions and objections into consideration.
- (6) The Commission may also reject the application for determination of tariff for reasons to be recorded in writing if the application is not in accordance with the provisions of the Act, Codes or Regulations made thereunder or the provision of any other law in force for the time being.

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<sup>1</sup>Inserted as per Commission's Notification No.: **TNERC/TR-5/2-10 dated 26-11-2013 (w.e.f.18-12-2013)**

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*Provided that the applicant shall be given a reasonable opportunity of being heard before rejecting the application.*

## **8. Publication of Tariff Order**

- (1) The licensee shall, within the time specified in the Tariff Order of the Commission, publish the salient features of tariff in two English Newspapers and two Tamil Newspapers having wide circulation in Tamil Nadu.
- (2) The tariff shall come into force from the date specified in the Tariff Order and shall, unless amended or revoked, continue to be in force for such period as may be specified in the Tariff Order.

## **9. Communication of the Tariff**

The Commission, shall, within seven days of making the order, send a copy of the order to the licensees, Government of Tamil Nadu, the Central Electricity Authority and to the persons concerned.

## **10. Refund of excess amount**

The licensee shall recover the charges as per the tariff determined by the Commission. If any licensee recovers the charges exceeding the tariff determined by the Commission, the excess amount shall be refunded to the person who has paid such excess charges along with interest equivalent to the bank rate notified by the Reserve Bank of India.

## **11. Time- of-the- Day Tariff**

- (1) To promote demand side management peak and off-peak tariff may be implemented.
- (2) The time between 0600 hrs and 0900 hrs and between 1800 hrs and 2100 hours shall be treated as peak hour.
- (3) The duration between 2200 hours and 0500 hours shall be off-peak hours.

## **12. Power Factor**

<sup>1</sup>[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]<sup>1</sup>.

### 13. Regulatory Asset

- (1) Wherever the licensee could not fully recover the reasonably incurred cost at the tariff allowed with his best effort after achieving the benchmark standards for the reasons beyond his control under natural calamities and force majeure conditions and consequently there is a revenue shortfall and if the Commission is satisfied with such conditions, the Commission shall treat such revenue shortfall as Regulatory Asset.
- (2) The regulatory asset shall first be adjusted against the contingency reserve. The balance regulatory asset, if any, will be allowed to be recovered within a period of three years as decided by the Commission.
- (3) The licensee shall intimate the Commission then and there when such contingency arises.
- (4) Any un-recovered gap at the beginning must be covered through transition financing arrangement or capital restructuring.

### 14. Multiyear Tariff

- (1) The Commission may implement multi year tariff for the Transmission and Distribution licensees for a period to be notified by the Commission.
- (2) The Commission may determine Tariff and revenue for the base year, after proper evaluation and verification of the submission made by the licensee.
- (3) The Commission may seek expert consultation in the process to determine allowable costs of the licensees for each of the years of the control period.
- (4) The control period shall be the subsequent years following the previous year.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/TR-5/2-11 dated 13-03-2014** (w.e.f. 09-04-2014), which before substitution stood as under:

**"The Commission may direct certain categories of consumers to maintain power factor at a prescribed level and allow incentive / disincentive for maintaining above / below the prescribed level".**

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- (5) All the uncontrollable costs shall be allowed as pass through in tariff and the uncontrollable costs will include the following:
  - (a) Cost of fuel;
  - (b) Costs on account of inflation;
  - (c) Taxes and duties; and

- (d) Variation in power purchase unit cost from base line level including on account of hydro-thermal mix in case of force majeure and adverse natural events like drought
- (6) The Operation and Maintenance cost shall be controllable cost and be based on escalation indices or other mode determined during determination of tariff for the base year.
- (7) Target for reduction of technical and commercial losses during the control period shall be determined with reference to the loss level determined for the base year and such level shall have the flexibility to accommodate changes due to completion of metering arrangement for accurate measurement of losses. The financial loss if any due to failure to achieve the target shall be borne by the licensee and gain if any shall be shared with the beneficiaries at the rate of 50 : 50.
- (8) At the end of the control period a comprehensive review of the performance may be undertaken.

#### **15. Annual Accounts and Reports, etc.**

- (1) Every licensee shall prepare Annual Statement of Accounts and Annual Report in the form specified in the TNERC (Licensing) Regulations giving an account of their activities during the Current Year and Previous Year and likely to be undertaken in the ensuing year. The report of activities will also indicate targets and achievements in respect of various performance parameters.
- (2) <sup>1</sup>[The Licensees] shall prepare the Annual Statement of Accounts in the form prescribed in the Electricity (Supply) Annual Accounts Rules 1985 until these rules are rescinded or modified as the case may be.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/TR-5/2-11 dated 13-03-2014** (w.e.f. 09-04-2014), which before substitution stood as under:

"The Tamil Nadu Electricity Board shall prepare the Annual Statement of Accounts in the form prescribed in the Electricity (Supply) Annual Accounts Rules 1985 until these rules are rescinded or modified as the case may be".

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- (3) The Annual Statement of Accounts and other reports shall be furnished (in duplicate) to the Commission before 30<sup>th</sup> November of every year.

#### **16. Business Plan**

<sup>1</sup>[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 and percentage of evacuation improvement to be achieved over the existing evacuation capacity]<sup>1</sup>.

#### **17. Capital Investment Plan**

- (1) The licensee shall file a detailed Capital Investment Plan every year showing separately, on going projects that will spill into the year under review and new project (along with justification) that will commence but may be completed within or beyond the tariff period.
- (2) The Commission may consider the licensee's investment plan for approval and for this purpose, may require the licensees to provide relevant technical and commercial details. The costs corresponding to the approved investment plan of a licensee for a given year shall normally be considered for its revenue requirement.
- (3) In presenting the justification for new projects, the licensee shall detail the specific nature of the works and the results to be achieved. The details must be shown in physical parameter (e.g.) new capacity to be added, length of lines to be energised, number of sub-stations / Bays to be added, meters to be added, replaced, etc. so that it is amenable for physical verification. In case of significant shortfall in achieving physical targets, the Commission may require the licensee to explain the reasons, and may proportionately reduce the provision, including interest and return component made towards revenue requirement, in the next tariff proposal.
- (4) The licensee may, at any time, during the tariff year, seek provision for additional capital expenditure to meet natural calamities involving substantial

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<sup>1</sup>*Substituted as per Commission's Notification No. **TNERC/TR-5/2-11** dated 13-03-2014 (w.e.f. 09-04-2014), which before substitution stood as under:*

**"The licensee shall furnish a detailed Business Plan for five years for approval by the Commission. The Business Plan shall contain projections for all activities including loss reduction, effective and tamper proof metering and the criteria for projection".**

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investment and the Commission shall examine and review these provisions in the manner as given in this regulation and approve their inclusion in the revenue requirement in the next period.



- (5) The licensee shall get the Capital Investment Plan approved by the Commission before filing ARR and Application for determination of tariff.

### **CHAPTER III**

#### **General Principles of computing cost and return**

##### **18. Capital Cost**

- (1) Accurate computation of cost of service including return on investment is essential for determination of cost plus tariff. The Commission shall be guided by the following principles to compute the cost and return.
- (2) Investments made prior to the notification of these Regulations by the Generating Company and licensees shall be accepted on the basis of audited accounts.
- (3) The actual capital expenditure on the date of commercial operation for the original scope of work based on audited accounts of the Company / licensee limited to original cost may be considered subject to prudence check by the Commission.
- (4) Wherever Power Purchase Agreement or Agreement for transmission / wheeling provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling.
- (5) The capital cost shall include capitalised initial spares subject to the following ceiling norms:
  - (i) In case of coal based / lignite fired Generating Stations - 2.5% of original project cost as on the cut off date;
  - (ii) In case of Gas Turbine / Combined cycle Generating Stations - 4.0% of original project cost as on the cut off date.;
  - (iii) In case of Hydro generating stations – 1.5% of the original project cost as on the cut off date;
  - (iv) In case of Transmission and Distribution licensees - 1.5% of original project cost as on the cut off date.
- (6) Scrutiny of the project cost estimates by the Commission shall be limited to the reasonableness of the capital cost, financing plan, interest during construction stage, use of efficient technology and such other matters, for determination of tariff. In respect of capital cost based projects, a 50% of potential savings, if any, in interest during construction, due to completion of project ahead of schedule, may be allowed to be retained by the Generating Company / licensee and the balance 50% passed on as a lower tariff.

- (7) Swapping of foreign Debt and Equity shall be permitted, provided the benefit accruing from such swapping is passed on to consumers / beneficiaries in the year following the year of such swapping.
- (8) Restructuring of capital cost in terms of relative share of equity and loan shall be permitted during the tariff period provided it does not affect tariff adversely. Any savings in costs on account of subsequent restructuring shall be shared between the developers / licensees and the beneficiaries / consumers.

*<sup>1</sup>[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].*

#### **19. Additional Capitalization**

- (1) The capital expenditure within the original scope of work actually incurred in respect of the following items after the date of commencement of operation and upto the cut off date may be admitted by the Commission, subject to prudence check.
  - (i) Deferred liabilities
  - (ii) Works deferred for execution

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/TR-5/2-3 dated 08-09-2007 (w.e.f. 03-10-2007)**

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- (iii) Procurement of initial spares subject to the ceiling specified in Regulation 18.5.

- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court.
- (v) On account of change of law.
- (vi) Any additional works / services which have become necessary for efficient and successful operation of the Generating Station, but not included in the original project cost.

**Note:** *The list is illustrative and not exhaustive.*

- (2) Any expenditure on minor items / assets like normal tools and tackles, personal computers, furniture, air conditioners, etc. bought after the cut off date shall not be considered for additional capitalisation for determination of tariff.
- (3) The impact of additional capitalisation in tariff revision may be considered by the Commission twice in a tariff period, including revision of tariff after the cut-off date.

**Note:**

- 1. *Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt equity ratio specified in Regulation 21.*
- 2. *Any expenditure incurred on replacement of old assets shall be considered after writing off the gross value of the original assets from the original capital cost except the minor assets brought after cut off date and not considered for additional capitalisation vide clause (2) of this Regulation.*
- 3. *Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt equity ratio specified in Regulation 21.*
- 4. *Any expenditure admitted by the Commission for determination of tariff on renovation and modernisation and life extension shall be serviced on normative debt equity ratio specified in regulation 21. after writing off the original amount of the replaced assets from the original project cost.*

## **20. Revenue / charges during trial stage (prior to COD)**

- (1) The cost incurred during trial upto COD shall be treated as capital cost.

- (2) The revenue earned from sale of power (infirm power) shall be treated as reduction in capital cost.
- (3) 1[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.

$$\{Gf \times [100 \times (Csp \times Cc)]\}$$

$$Ti = \frac{\{Gf \times [100 \times (Csp \times Cc)]\}}{(100-AUX)}$$

$$(100-AUX)$$

Ti - Tariff for infirm power in Paise/kWh

Csp - 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."

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

Gf- Grid facilitation constant = 0.6]<sup>1</sup>.

## 21. Debt-Equity Ratio

For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation of Generating Station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these Regulations shall be 70:30. Where equity employed is more than 30% the amount of equity shall be limited to 30% and the balance amount shall be considered as loans, advanced at the weighted average rate of interest and for weighted average tenor of the long term debt component of the investment.

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<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/TR-5/2-11 dated 13-03-2014** (w.e.f. 09-04-2014), which before substitution stood as under:

"Cost of infirm power shall be the lowest fuel cost applicable to the existing similar type of station".

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*Provided that in case of a Generating Company or other licensees, where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of return on equity in tariff computation.*

## 21. Return on Equity

- (1) Return on equity shall be computed on the equity base determined in accordance with regulation 21 @ 14% per annum. The return shall be allowed post tax.

*Provided that equity invested in foreign currency shall be allowed a return upto the prescribed limit in the same currency and payment on this account shall be made in Indian Rupees based on the exchange rate prevailing on the due date of billing.*

<sup>1</sup>[xxxx]

- (2) The premium raised by the Generating Company or the licensee while issuing capital and investment of internal resources created out of free reserve, if any, for funding of a project shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting capital expenditure of the project.

## **22. <sup>2</sup>[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 refinance 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 with-hold 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.

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<sup>1</sup>Omitted as per Commission's Notification No. **TNERC/TR-5/2-2 dated 09-08-2007 (w.e.f. 29-08-2007)**, which before omission stood as under :

**“Provided that the Tamil Nadu Electricity Board shall adopt the rate of reasonable return prescribed in the Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified”.**

<sup>2</sup>*Substituted as per Commission’s Notification No.TNERC/TR-5/2-3 dated 08-09-2007 (w.e.f. 03-10-2007), which before substitution stood as under :*

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

- 1) Interest on loan capital including the amount of equity above 30% treated as loan shall be computed on the outstanding loans duly taking into account the schedule of repayment, as per the terms and conditions of relevant agreement of loan, bonds or debentures.**
- 2) The Generating Company or the licensee shall put in every effort to swap the loan as long as it results in net benefit to the beneficiaries. The cost associated with such swapping shall be borne by the beneficiaries.**
- 3) The changes to the loan terms and conditions shall be reflected from the date of such swapping and benefit passed on to the beneficiaries.**
- 4) The Generating Company and the licensee shall not make any profit on account of swapping of loan and interest on loans.**
- 5) Interest on Security Deposit, if any, with the Generating Company or the licensee shall be considered at the rate specified by the Commission from time to time.**
- 6) In case any moratorium period is availed by the Generating Company or the licensees, 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.**
- 7) Saving in costs on account of subsequent restructuring of debt shall be shared between the consumers and the Generating Company / licensees.**
- 8) The future agreements with lenders may have a provision for refixation of interest rate after every three years to reduce the interest commitment.**

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- 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”]*

## **24) Depreciation**

For the purpose of tariff, depreciation shall be computed in the following manners:

- (i) The value base for the purpose of depreciation shall be historical cost of the asset.
- (ii) The depreciation shall be calculated at the rates as per the Annexure to these Regulations.
- (iii) The residual value of assets shall be considered as 10% and depreciation shall be allowed upto maximum of 90% of the estimated cost of the Asset.
- (iv) Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset.
- (v) The historical cost of the asset shall include additional capitalisation.
- (vi) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro-rata basis.
- (vii) After the assets are fully depreciated the benefit of reduced tariff shall be made available to the consumer.

<sup>1</sup>[xxxx]

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<sup>1</sup>Omitted as per Commission's Notification No.**TNERC/TR-5/2-2** dated **09-08-2007 (w.e.f. 29-08-2007)**, which before omission stood as under :

***“Note: The Electricity (Supply) Annual Accounts Rules 1985 made under Section 69 of the Electricity (Supply) Act 1948 shall continue to have effect until these rules are rescinded or modified as the case may be and depreciation shall be allowed accordingly”.***

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<sup>1,2</sup> [24.A. Advance Against Depreciation

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## **25. Operation and Maintenance Expenses**

- 1) The operation and maintenance expenses shall be derived on the basis of actual operation and maintenance expenses for the past five years previous to current year based on the audited Annual Accounts excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission. The Commission may, if considered necessary engage Consultant / Auditors in the process of prudence check for correctness.
- 2) The average of such normative operation and maintenance expenses after prudence check shall be escalated at the rate of <sup>3</sup>[5.72%] per annum to arrive at operation and maintenance expenses for current year i.e. base year and ensuing year.
- 3) The base operation and maintenance expenses so determined shall be escalated further at the rate of <sup>4</sup>[5.72%] per annum to arrive at permissible operation and maintenance expenses for the relevant years of tariff period.

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<sup>1</sup>Inserted as per Commission's Notification No. **TNERC/TR-5/2-5** dated **06-02-2008** (w.e.f. **27-02-2008**)

<sup>2</sup>Omitted as per Commission's Notification No. **TNERC/TR-5/2-11** dated **13-03-2014** (w.e.f. **09-04-2014**), which before omission stood as under:

**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 1/10<sup>th</sup> 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.**

<sup>3,4</sup>Substituted as per Commission's Notification No. **TNERC/TR-5/2-11** dated **13-03-2014** (w.e.f. **09-04-2014**), which before substitution stood as under :

**"4%"**

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- 4) In case of the thermal power Generating Stations, which have not been in existence for a period of five years the operation and maintenance expenses shall be fixed at 1.0% of the capital cost (as admitted by the Commission) and shall be escalated at the rate of <sup>1</sup>[5.72%] per annum



from the subsequent year to arrive at base operation and maintenance expenses. The base operation and maintenance expenses shall be further escalated at the rate of <sup>2</sup>[5.72%] per annum to arrive at permissible operation and maintenance expenses for the relevant year.

- 5) In case of the thermal power generating stations declared under commercial operation on or after the notification of these Regulations, the base operation and maintenance expenses shall be fixed at 1.0% of the actual capital cost (as admitted by the Commission), in the year of commissioning and shall be subject to an annual escalation of <sup>3</sup>[5.72%] per annum for the subsequent years.
- 6) In case of the hydro electro Generating Stations, which have not been in existence for a period of five years, the operation and maintenance expenses shall be fixed at 1.0% of the capital cost as admitted by the Commission and shall be escalated at the rate of <sup>4</sup>[5.72%] per annum from the subsequent year to arrive at base operation and maintenance expenses. The base operation and maintenance expenses shall be further escalated at the rate of <sup>5</sup>[5.72%] per annum to arrive at permissible operation and maintenance expenses for the relevant year.
- 7) In case of the hydro electric generating stations declared under commercial operation on or after the notification of these Regulations, the base operation and maintenance expenses shall be fixed at 1.0% of the actual capital cost as admitted by the Commission, in the year of commissioning and shall be subject to an annual escalation of <sup>6</sup>[5.72%] per annum for the subsequent years.
- 8) In respect of the transmission system declared under commercial operation on or after notification of these regulations the base operation and maintenance expenses shall be fixed at 1% of the capital cost (as

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<sup>1,2,3,4,5,6</sup> Substituted as per Commission's Notification No. **TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014)**, which before substitution stood as under :

**"4%"**

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admitted by the Commission), in the year of commissioning and shall be subject to an annual escalation of <sup>1</sup>[5.72%] per annum for the subsequent years.

- 9) In case of considerable variation between the normative expenses and actual expenses, the Commission may allow the Generating Company or the licensee to achieve the normative level over a period of time.
- 10) Increase in Operation and Maintenance expenses due to force majeure conditions like war, insurgency, change in law, may be considered by the Commission.
- 11) Any savings achieved by Generating Company or the licensee shall be allowed to be retained by them. When they exceed the normative expenses they shall bear the loss.
- 12) Where the Commission desires to fix multi year tariff a formula based on Consumers' Price Index and Wholesale Price Index shall be prescribed.

## **26. Working Capital**

- 1) The Commission may conduct lead-lag studies for determination of Working Capital requirement for various types of Generating Stations / Transmission system / distribution system to arrive at a formulaic dispensation to accommodate improvement on norms mutually agreed to between the generators and purchasers.
- 2) Till such a formula is evolved, the norms for Working Capital shall be as below:

### **(a) For Coal based / Lignite fired Generating Stations**

- (i) Cost of coal or lignite for one and half month for pit head generating stations and two months for non pit head generating stations corresponding to the target availability;
- (ii) Cost of secondary fuel oil for two months corresponding to the target availability;
- (iii) Operation and Maintenance expenses for one month;
- (iv) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and

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<sup>1</sup>Substituted as per Commission's Notification No.TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014), which before substitution stood as under :

**"4%"**

- 
- (v) Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on "target availability".

**(b) For Gas Turbine / combined cycle Generating Stations**

- (i) Fuel cost for one month corresponding to the target availability duly taking into account the mode of operation of the Generating Station on gas fuel and liquid fuel;
- (ii) Liquid fuel stock for half month;
- (iii) Operation and Maintenance expenses for one month;
- (iv) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and
- (v) Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on target availability.

**(c) For Hydro Power Generating Stations**

The working Capital shall cover:

- (i) Operation and Maintenance expenses for one month;
- (ii) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and
- (iii) Receivables equivalent to two months of fixed charges for sale of electricity, calculated on normative capacity index.

**(d) For Transmission System**

Working Capital shall cover:

- i. Operation and Maintenance Expenses for one month;
- ii. Maintenance spares @ 1% of the historical cost of the transmission asset escalated at 6% per annum from the date of commencement of operation;
- iii. Receivables equivalent to two months transmission charges calculated on target availability level.

**(e) For Distribution System**

- (i) Operation and Maintenance expenses for one month.
- (ii) Maintenance spares for two months based on annual requirement considered at 1% of the gross fixed cost at the beginning of the year.
- (iii) Receivable equivalent to sixty days consumption charges.

**27. Interest on Working Capital**

The short term rate of interest on working capital shall be on normative basis and shall be equivalent to the primary lending rate of State Bank of India as on 1<sup>st</sup> April of the relevant year.

**28. Deviation from Norms**

- 1) Norms of operation specified in these regulations are the ceiling norms and the Generating Company and the user may agree for improved norms. In such a case, the improved norms on the basis of their agreement shall be considered for the purpose of tariff determination.
- 2) In respect of the Generating Companies covered under Power Purchase Agreements the norms in the Power Purchase Agreements will be applicable till the expiry of the contract.

## **29. Bad and Doubtful Debt**

<sup>1</sup>[xxxx]

## **30. Insurance**

<sup>2</sup>[xxxx]

## **31. Contingency Reserve**

<sup>3</sup>[xxxx]

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<sup>1</sup>Omitted as per Commission's Notification No. **TNERC/TR-5/2-11** dated **13-03-2014** (w.e.f. **09-04-2014**), which before omission stood as under:

**"The Commission may consider and allow a provision upto 0.25% of receivables for writing off of bad and doubtful debts. The licensee or Generating Company shall write off the Bad and Doubtful debts as per the procedure laid down by them".**

<sup>2</sup>Omitted as per Commission's Notification No. **TNERC/TR-5/2-11** dated **13-03-2014** (w.e.f. **09-04-2014**), which before omission stood as under:

**"The Generating Company and licensee may adopt the practice of Self Insurance and a provision upto 0.5% of the capital cost shall be allowed by the Commission in their revenue requirement. The reserves shall be utilised to replace the assets lost due to accident, fire, flood, cyclone and other force majeure conditions".**

<sup>3</sup>Omitted as per Commission's Notification No. **TNERC/TR-5/2-11** dated **13-03-2014** (w.e.f. **09-04-2014**), which before omission stood as under:

**"The Generating Companies and the licensees shall provide and maintain a contingency reserve upto 0.5% of the value of assets at the beginning of the year and the provision made for the year will be allowed in their Revenue Requirement. This reserve will be utilised to meet any contingent liability or unforeseen revenue losses".**

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## **32. Foreign Exchange Rate Variation**

- 1) Extra rupee liability towards interest payment and loan repayment corresponding to the actual foreign debt in the relevant year shall be permissible provided the entire rupee liability directly arises out of Foreign Exchange Rate variation and is not attributable to the Generation Company / licensee or their suppliers or contractors.
- 2) Generating Companies shall be allowed reasonable cost of hedging subject to a ceiling of 1 % of the foreign exchange component to take care of foreign exchange variation.

### **33. Income Tax**

- a) Tax on Income stream of the Generating Company or the Transmission licensee or the Distribution licensee as the case may be from Core / Licensed business shall be computed as expenses and shall be recovered as pass through from the beneficiaries.
- b) Under recovery or over recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income tax assessment under the Income Tax Act 1961 (Act 43 of 1961) as certified by the Statutory Auditors.

*Provided that tax on income from business other than the Core / licenced business shall not constitute a pass through component in tariff and the tax on such income shall be borne by the Generating Company or the licensees as the case may be.*

### **34. Provisional assessment of Income Tax and Foreign Exchange Rate variation**

Income tax and Foreign Exchange Rate variation shall be provisionally estimated by the Commission with reference to the ARR and application of the Generating Company or the licensee for the purpose of determining tariff and shall be subject to adjustment as per actuals.

## **CHAPTER IV**

### **Thermal Power Generating Station**

### **35. Application for Determination of Tariff**

- 1) The Generating Company may file application for determination of tariff in the manner specified in Chapter II of these Regulations.
- 2) **1**[In respect of existing Generating Companies covered under Power Purchase Agreement already entered, the tariff and norms shall be as per the terms agreed to, in so far as such terms are not inconsistent with the provisions of the Act ]. However, modification to the existing Power Purchase Agreement may be undertaken through mutual discussion between the parties to the agreement to explore possibilities of reducing costs and aligning the Power Purchase Agreement with the new market structure.

### **36. Components of Tariff**

- 1) The tariff for sale of power by the Generating Companies shall be of two part namely the Fixed Charges (recovery of annual capacity charges) and variable (energy) charges.
- 2) The Fixed (annual capacity) charges shall consist of the following elements:
  - (a) Interest on Loan Capital;
  - (b) Depreciation
  - (c) Return on Equity;
  - (d) Operation and Maintenance expenses; and
  - (e) Interest on Working Capital:
- 3) The energy (variable) charges shall cover fuel cost.

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<sup>1</sup>*Substituted as per Commission's Notification No. **TNERC/TR/5/2-8, dated 31-05-2010 (w.e.f. 07-07-2010) which before substitution stood as under :***

***“(2) in respect of existing Generating Companies covered under Power Purchase Agreement already entered, the tariff and norms shall be as per terms agreed to.”***

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### **37. Norms of Operation**

The norms of operation for the Thermal Generating Stations shall be as under:

**(i) Target availability for recovery of full capacity (fixed) charges**

- (a) All Thermal Generating stations in Tamil Nadu except Ennore Thermal Power Generating Station 80%
- (b) Ennore Thermal Power Generating Station 50%  
(Till Renovation and Modernization works in all units are completed)
- (c) In respect of Generating Stations of Independent Power Producers .... As per PPA
- (d) New Thermal Stations 80%

**(ii) Target Plant Load Factor for incentive**

- (a) All the Thermal Power Generating Stations except the existing Stations of Independent Power Producers covered under Power Purchase Agreements 80%
- (b) Power Generating Stations of Independent Power Producers covered under existing Power Purchase Agreement .... As per PPA

**(iii) Gross Station Heat Rate**

**(a) “Norms for the existing Coal-based Thermal Power Generating Stations**

Station	Heat Rate
1. ETPS	3200 kcal/kwh
2. TTPS	2453 “
3. MTPS	2500 “
4. NCTPS	2393 “

**(b) Norms for the new Thermal Power Generating Stations**

		200/210/250 MW sets	500 MW and above sets
During period	Stabilisation	2600 KCal/kWh	2550 Kcal/kWh
	Subsequent period	2500 KCal/kWh	2450 Kcal/kWh

**Note-1 :**

*In respect of 500 MW and above units where the boiler feed pumps are electrically operated, the heat rate of 40 kCal/kWh shall be reduced from the Generating Station heat rate indicated above.*

**Note-2 :**

*For Generating Stations having combination of 200/210/250 MW sets and 500 MW and above sets, the normative gross Generating Station heat rate shall be the weighted average Generating Station heat rate of various sets.*

**(c) Lignite-fired thermal power Generating Stations**

The station heat rate specified in clause (b) above for coal based Thermal Power Generating Station shall be corrected, using multiplying factors as given below:

- (i) For lignite having 50% moisture: Multiplying factor of 1.10
- (ii) For lignite having 40% moisture: Multiplying factor of 1.07
- (iii) For lignite having 30% moisture: Multiplying factor of 1.04
- (iv) For other values of moisture content, multiplying factor shall be pro-rated for moisture content between 30-40 and 40-50 depending upon the rated values of multiplying factor for the respective range given under sub-clauses (i) to (iii) above.

**(d) Gas-Turbine / combined cycle Generating Stations**

	Advanced class machine	E/EA/EC/E2 class machine
Open Cycle	2685 Kcal / kWh	2830 Kcal / kWh
Combined cycle	1850 Kcal/ kWh	1950 Kcal / kWh

**(iv) Secondary fuel oil consumption**

- (a) Coal-based Generating Stations:
  - During stabilization period : 4.5 ml/kWh
  - Subsequent period (except ETPS) : 2.0 ml/kWh
  - ETPS : 12 ml/kWh
- (b) Lignite fired Generating Stations:
  - During stabilization period : 5.0 ml/kWh
  - Subsequent period (except ETPS) : 3.0 ml/kWh

**(v) <sup>1</sup>Auxiliary Energy Consumption**



(a) Coal – based generating station.

	<u>With cooling Tower</u>	<u>Without cooling tower</u>
i) 200 MW series	9.00%	8.50%
ii) 500 MW series		
Steam driven boiler feed pumps.	<sup>2</sup> [7.50%]	7.00%
Electrically driven boiler feed pumps	9.00%	8.50%]

(b) Gas-based and Naphtha-based Generating Stations :

- (i) Combined Cycle : 3%
- (ii) Open Cycle : 1%

(c) Lignite fired Thermal Power Station :

The auxiliary consumption norms shall be 0.50 percentage point more than the auxiliary energy consumption norms for coal based Generating Stations indicated in a (i) and (ii) above.

(d) During stabilization period, normative auxiliary consumption shall be reckoned at 0.50 percentage point more than the norms indicated at (a), (b) and (c) above.

**(vi) Stabilization period**

The stabilization period of a unit shall be reckoned commencing from the date of commercial operation of that unit as follows:

- (a) coal-based and lignite-fired Generating Stations -180 days
- (b) Gas turbine / combined Generating Stations - 90 days

### **38. Capital Cost and sale of infirm power**

- 1) The capital cost of a Generating Company shall be worked out in accordance with the provisions of Regulation 18 and 19.
- 2) Any revenue other than the recovery of fuel cost earned by the Generating Company from the sale of infirm power shall be taken as reduction in capital cost as provided in Regulation 20.

<sup>1</sup>Substituted as per Commission's Notification No. **TNERC/TR-5/2-3 dated 08-09-2007 (w.e.f. 03-10-2007)**, which before substitution stood as under :

**(v) "Auxiliary Energy Consumption"**  
**(a) Coal-based Generating Stations:**

- (i) With cooling towers : 9%
- (ii) Without cooling towers : 8.5%"

<sup>2</sup> Substituted for the expression "9.5%" as per Commission's Notification No. **TNERC/TR-5/2-6 dated 26-05-2008**.

### **39. SLDC and Transmission Charges**

SLDC charges as determined by the Commission and payable by the generating companies shall be considered as expenses. SLDC and Transmission charges paid for the energy sold outside the State shall not be considered as expenses for determining generation tariff.

#### **40. Other Income**

Income other than income from sale of electricity shall be grouped as other income.

#### **41. Computation of Capacity (Fixed) Charges**

- 1) The total annual Fixed Charges of a Generating Company consisting the elements detailed in clause (2) of Regulation 36 shall be worked out on the basis of the principles outlined in Chapter III and also in accordance with the norms allowed in these Regulations.
- 2) The annual capacity charges recoverable by the Generating Company shall be worked out by deducting other income as per Regulation 40 from the total annual expenses.

#### **42. Recovery of Capacity Charges**

- 1) Full capacity charges (Fixed Charges) shall be recoverable at target availability specified in clause (1) of Regulation 37.
- 2) Recovery of capacity charges below the level of target availability will be on pro rata basis. At zero availability, no capacity charges shall be payable.
- 3) Payment of capacity charges (Fixed Charges) shall be on monthly basis in proportion to allocated / contracted capacity.
- 4) Capacity (Fixed) charges per KWh in the month shall be worked out by dividing the capacity charges recoverable for the month by the quantum of ex-bus energy sent out in the month.

#### **43. Energy (Variable) Charges**

The energy charges shall cover fuel costs and shall be computed as follows:

(i) **Generating Stations covered under ABT**

The Energy (variable) Charges shall be worked out on the basis of ex-bus energy scheduled to be sent out from the Generating Station as per the following formula:

$$\text{Energy Charges (Rs)} = \frac{\text{Rate of Energy Charges in Rs/kWh} \times \text{Scheduled Energy (ex-bus) for the month in kWh corresponding to scheduled generation.}}{1}$$

(ii) **Generating Stations other than those covered under ABT**

The Energy (variable) charges shall be worked out on the basis of ex-bus energy delivered / sent out from the Generating Station as per the following formula:

$$\text{Energy Charges (Rs.)} = \frac{\text{Rate of Energy Charges in Rs./kWh} \times \text{Energy delivered (ex-bus) for the months in kWh}}{1}$$

Where,

Rate of Energy Charges (REC) shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity in Rs/kWh and shall be computed as under:

$$\text{REC} = \frac{100 \{P_p \times (Q_p)_n + P_s \times (Q_s)_n\}}{(100 - (AUX)_n)} \quad (\text{Rs./kWh})$$

Where,

$P_p$  = Price of primary fuel namely coal or Lignite or Gas or liquid fuel in Rs/Kg or Rs/cum or Rs./litre as the case may be.

$(Q_p)_n$  = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or litre or cum as the case may be, and shall be computed on the basis of Gross station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based Generating Stations) and gross calorific value of coal/lignite or gas or liquid fuel actually fired.

$P_s$  = Price of Secondary fuel oil in Rs./ml,

$(Q_s)_n$  = Normative Quantity of Secondary fuel oil/kwh as per clause iv of Regulation 37.

$AUX_n$  = Normative Auxiliary consumption as percentage of gross generation as per clause V of Regulation 37.

(iii) **Adjustment of rate of energy charge (REC) on account of variation in price or heat value of fuels**

- (a) Initially, Gross Calorific Value of coal/lignite or gas or liquid fuel shall be taken as per actuals of the preceding three months. Any variation shall be adjusted on a month to month basis on the basis of average Gross Calorific Value of coal/lignite or gas or liquid received and burnt and weighted average landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be for a Power Station.
  - (b) In its bills, Generating Company shall indicate rate of energy charges at base price of primary and secondary fuel specified by the Commission and the fuel price adjustment to it separately.
  - (c) No separate petition need to be filed with the Commission for fuel price adjustment.
- (iv) **Landed Cost of Coal**
- The landed cost of fuel shall include the following:
- (a) Base cost of coal / lignite / oil / naptha / gas
  - (b) Royalty
  - (c) Tax and duties
  - (d) Transport cost by rail / ocean / road / gas pipeline or any other means.
- (v) The capacity (fixed) charges per KWh and the energy charges per KWh shall be the generation tariff.
  - (vi) In respect of power generated in the stations owned by the distribution licensee and distributed by the licensee himself in his area of supply, the generation tariff of the station shall be considered as the transfer price to the distribution licensee which will be determined in the licensee's tariff petition itself.

#### **44. Incentive**

Incentive shall be payable at a flat rate of 25 paise / kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to target Plant Load Factor.

#### **45. Unscheduled Interchange (UI) Charges applicable to stations covered under ABT**

- 1) Variation in actual generation or actual drawal and scheduled generation or scheduled drawal shall be accounted for through Unscheduled Interchange (UI) Charges.
- 2) UI for a Generating Station shall be equal to its actual generation minus its scheduled generation.
- 3) UI for beneficiary shall be equal to its total actual drawal minus its total scheduled drawal.
- 4) UI shall be worked out for each 15 minute time block.
- 5) Charges for all UI transactions shall be based on average frequency of the time block and the rates as approved by the Commission from time to time. :

**Note :**

- (1) (i) *Any Generation upto 105% of the declared capacity in any time block of 15 minutes and averaging upto 101% of the average declared capacity over a day shall not be construed as foul play, and the generator shall be entitled to UI charges for such excess generation above the scheduled generation (SG).*
- (ii) *For any generation beyond the prescribed limits, the State Load Despatch Centre shall investigate so as to ensure that there is no foul play, and if foul play is found by the State Load Despatch Centre, the corresponding UI charges due to the Generating Station on account of such extra generation shall be reduced to zero and the amount shall be adjusted in UI account of beneficiaries in the ratio of their capacity share in the Generating Station.*

**46. Rebate**

For payment of bills of capacity charges and energy charges through a Letter of Credit, a rebate of 2% shall be allowed. If the payments are made by a mode other than Letter of Credit but within a period of one month of presentation of bills by a Generating Company, a rebate of 1% shall be allowed.

**47. Late Payment Surcharge**

In case payment of capacity charges and energy charges by the beneficiary is delayed, beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month shall be levied by the Generating Company.

**CHAPTER V**

**Hydro Power Generating Stations**

#### **48. Application for determination of tariff**

The provisions of Regulation 35 shall apply mutatis mutandis, to an Application for determination of tariff of Hydro Generating Stations.

#### **49. Components of tariff**

Tariff for sale of electricity from a Hydro Power Generating Station shall comprise of two parts, namely, the recovery of annual capacity charges and energy charges to be worked out in the manner provided hereinafter.

#### **50. Norms of operation**

The norms of operation shall be as follows:-

(1) Normative capacity index for recovery of full capacity charges

(a) During first year of commercial operation of the Generating Station

- |  |       |
|--|-------|
| (i) Purely Run-of-river Power Stations                         | - 85% |
| (ii) Storage type and Run of river Power Stations with pondage | - 80% |

(b) After first year of commercial operation of the Generating Station

- |  |       |
|--|-------|
| (i) Purely Run-of-river Power Stations                         | - 90% |
| (ii) Storage type and Run-of River Power Stations with pondage | - 85% |

(c) There shall be prorata recovery of capacity charges in case the Generating Station achieves capacity index below the prescribed normative levels. At Zero capacity index, no capacity charges shall be payable to the Generating Station.

(2) Auxiliary Energy Consumption:

- |   |                            |
|---|----------------------------|
| (a) Surface hydro electric Power Generating Stations with rotating exciters mounted on the generator shaft        | 0.2% of energy generated   |
| (b) Surface hydro electric Power Generating Stations with static excitation system                                | - 0.5% of energy generated |
| (c) Under ground hydro electric power generating stations with rotating exciters mounted on the generating shafts | – 0.4% of energy generated |
| (d) Under ground hydro electric power generating stations with static exciters systems                            | - 0.7% of energy generated |

- (3) Transformation Losses  
From generation voltage to transmission voltage – 0.5% of energy generated

#### **51. Capital Cost and sale of infirm power**

- (1) Capital Cost of Hydro Power Generating Station, including the complete hydro power generating facility covering all components such as dam, intake, water conductor system, power generating station and generating units of the scheme as apportioned to power generation, shall be determined in accordance with Chapter III of these Regulations.
- (2) Any revenue earned by the Generating Company from sale of infirm power, shall be taken as reduction in capital cost of the Generating Station and shall not be treated as revenue. The rate for infirm power shall be same as the energy rate of the Generating Stations.

#### **52. SLDC and transmission charges**

SLDC charges as determined by the Commission shall be considered as expenses. SLDC and Transmission Charges paid for energy sold under bilateral agreements out side the State shall not be considered as expenses to determine generation tariff.

#### **53. Computation of Annual Energy Charges**

- (1) The two part tariff for sale of electricity from a hydro power generating station shall comprise a recovery of annual capacity (fixed) charges and primary energy charges.
- (2) The annual capacity (fixed) charges shall consist of the following and shall be computed as per the principles in Chapter III.
- (b) Interest on Loan Capital
  - (c) Depreciation
  - (d) Return on equity
  - (e) Operation and Maintenance expenses excluding operating expenses like water charges, lubricants, consumables and station supplies.
  - (f) Interest on Working Capital
- (3) Primary Energy Charges shall be the operating expenses like cost of water, lubricants, consumables and station supplies.

#### **54. Energy Rate**

Energy charges per kWh shall be arrived at as below:

$$\text{Energy rate} = \frac{\text{Annual Capacity Charges} + \text{Annual Primary Energy Charges}}{\text{Saleable Energy}}$$

#### 55. Incentive

- (1) Incentive shall be payable in case of all the Generating Stations, including new Generating Stations in the first year of operation, when the capacity index (CI) exceeds 90% for purely run-of-river power generating stations and 85% for run-of-river power station with pondage or storage type power generating stations and incentive shall accrue upto a maximum capacity index of 100%.
- (2) Incentive shall be payable to the Generating Company in accordance with the following formula:  

$$\text{Incentive} = 0.65 \times \text{Annual Charge} \times (CI_A - CI_N) / 100$$
 (If incentive is negative, it shall be set to zero)  
 Where,  $CI_A$  is the Capacity Index achieved and  $CI_N$  is the normative capacity index whose values are 90% for purely run of the river hydro stations and 85% for pondage / storage type hydro Generating Stations.
- (3) The total incentive payment calculated on annual basis shall be shared by the beneficiaries based on the allocated capacity.
- (4) **Incentive for completion of hydro electric power Generating Stations ahead of schedule.**

In case of commissioning of a hydro electric power generating station or part thereof ahead of schedule, the Generating Station shall become eligible for incentive for an amount equal to pro rata reduction in interest during construction, achieved on commissioning ahead of the schedule. The incentive shall be recovered through tariff in twelve equal monthly instalments during the first year of operation of the Generating station. In case of delay in commissioning, interest during construction for the period of delay shall not be allowed to be capitalised for determination of tariff, unless the delay is on account of natural calamities or geological surprises.

#### 56. Deemed Generation

- (1) In case of reduced generation due to the reasons beyond the control of Generating Company or on account of non-availability of STU's/ transmission licensee's transmission lines or on receipt of backing down instructions from the Sub Load Despatch Centre resulting in spillage of water, the energy equivalent on account of such spillage at the same rate of energy charges



shall be payable to the Generating Company. Apportionment of energy charges for such spillage among the beneficiaries shall be in proportion of their shares in saleable capacity of the respective Generating Station.

- (2) Energy Charges on the above account shall not be admissible if the energy generated during the year is equal to or more than the design energy.

## **CHAPTER VI**

### **Transmission Tariff**

#### **57. Application for determination of tariff**

The STU / Transmission licensee shall make application for determination of transmission tariff in the manner indicated in regulation 6 along with Aggregate Revenue Requirement.

#### **58. Norms of operation**

The norms of operation of transmission system subject to modification thereof from time to time shall be as under:

**(a) Auxiliary Power consumption in the sub-station**

The charges for auxiliary consumption in the sub-station for the purpose of air conditioning, lighting, technical consumption, etc. shall be considered as part of its normative operation and maintenance expenses.

**(b) Target availability for recovery of full transmission charges**

The normative availability of transmission system shall be 98%.

#### **59. Transmission Tariff Charges**

The tariff for transmission of electricity by a transmission system shall comprise recovery of annual transmission charges consisting of the following computed as per the principles outlined in Chapter III of these Regulations.

- (i) Interest on Loan Capital;
- (ii) Depreciation
- (iii) Operation and Maintenance Expenses;
- (iv) Interest on Working Capital at normative availability; and:
- (v) Return on equity:

The annual transmission charges computed as per this regulation shall be total aggregate revenue requirement of the STU / Transmission licensee. The following shall be deducted from the total revenue requirement.

- (a) Transmission charges collected from the short term intra state open access consumers, captive power plant and generating stations using Non Conventional Energy Sources.
- (b) Income from other business to the extent of portion to be passed on to the beneficiaries.
- (c) Reactive Energy Charges and Transmission charges received from CTU for use of facilities of the licensee / STU.

Till such time a common transmission tariff is evolved to maintain consistency in transmission pricing framework in inter state and in the state transmission system the monthly transmission charges payable by the Distribution licensees and other long term intra state open access consumers shall be based on the capacity allocated to each beneficiaries as detailed below:

$$\left\{ \frac{TC - (a + b + c)}{12} \times \frac{CL}{SCL} \right\}$$

Where TC = Annual Transmission Charges

- a = Total transmission charges by the short term open access consumers
- b = Income from other business to the extent of portion to be passed on to the beneficiaries.
- c = Reactive Energy Charges and Transmission charges received from CTU for use of facilities of the licensee / STU
- CL = Allotted capacity to the long term transmission customers
- SCL = Sum of allotted Transmission capacity to all the long term open access customers of the intra state transmission system.

The transmission charges shall be determined after following the procedure outlined in chapter II.

## 60. Variable Charges

The transmission loss shall be allocated to the users of the transmission system in proportion to the energy drawn through the system.

## 61. Payment of transmission charges

Full annual transmission charges shall be recoverable at the target availability of 98%. Payment of transmission charges below the target availability shall be on prorata basis.

## 62. Unbundling Transmission Charges

- (1) The transmission licensee / STU shall endeavour to maintain separate function wise accounts for transmission system and furnish the revenue requirement line wise <sup>1</sup>[and substation wise. Separate petition shall be filed for the ARR of SLDC].
- (2) The tariff for the transmission services shall be unbundled to reflect the cost of various activities associated with provision of transmission service <sup>2</sup>[xxxx].
- (3) The components of transmission tariff are:

### <sup>3</sup>[(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].

### (b). System Operation Charges

This component of transmission tariff shall reflect the cost associated with operating the load dispatch center. The cost, among other things, shall include the cost of owning and maintaining load dispatch center. This system operation charges shall be charged as SLDC charges to users of such services, based on total energy of transactions.

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<sup>1</sup>Substituted as per Commission's Notification No.TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014), which before substitution stood as under :

"bay wise and for load dispatch centre wise".

<sup>2</sup> Omitted as per Commission's Notification No.TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014), which before omission stood as under :

"once the data as per clause (1) are made available"

<sup>3</sup>Substituted as per Commission's Notification No.TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014), which before substitution stood as under :

"(a) Charges for use of network

This component of transmission tariff shall be distance sensitive and would reflect cost of capital investment in and 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. The charges for use of network would be worked out on distance slabs to reflect the distance travelled by the energy transmitted".

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### **(c). Reactive Power Charges**

This component of transmission tariff would be a variable charge reflecting voltage related drawal of reactive power. Reactive power drawals by beneficiaries are to be priced as follows :

- (i) The beneficiary pays for reactive power drawal when voltage at the metering point is below 97%.
- (ii) The beneficiary gets paid for reactive power (return) supply when voltage is below 97%.
- (iii) The beneficiary gets paid for reactive power drawal when voltage is above 103%.
- (iv) The beneficiary pays for reactive power (return) supply when voltage is above 103%.
- (v) The charges for reactive energy shall be as decided by the Commission.

### **63. Incentive**

The Transmission licensee shall be entitled to incentive @ 1% of equity for each percentage point of increase in annual availability beyond the target availability prescribed under regulation 58 (b) in accordance with the following formula.

$$\text{Incentive} = \text{Equity} \times (\text{Annual Availability achieved} - \text{Target availability}) / 100$$

The incentive shall be shared by the long term customers in the ratio of their average allotted capacity.

### **64. Rebate**

For payment of bills of transmission charge through Letter of Credit on presentation, a rebate of 2% shall be allowed. Where payments are made within a period of one month of presentation of bills by the Transmission licensee a rebate of 1% shall be allowed.

### **65. Late Payment Surcharge**

In case the payment of bills of the transmission charges by the beneficiary or beneficiaries is delayed beyond a period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month shall be levied by the Transmission licensee.

## **66. Transmission Charges for Open Access**

Under clause (d) of sub-section (2) of section 39 and clause (c) of section 40 of the Act, the STU / Transmission licensee shall provide non-discriminatory open access for use by other licensee, Generating Company or any consumer on payment of transmission charges.

This transmission charges payable for use of the facility under open access shall be as per Regulation 59 with reference to the capacity permitted to be used.

## **67. Surcharge**

The consumer who uses the transmission system under open access is liable to pay a surcharge in addition to the transmission charges as specified in the TNERC Open Access Regulations.

# **CHAPTER VII**

## **Tariff for Distribution licensees**

## **68. Component of tariff for supply of electricity**

- (1) The charges for the electricity supplied by the Distribution licensee may include:-
  - (a) a fixed charges / Demand Charges;
  - (b) Charges for actual electricity supplied;
  - (c) a rent or other charge in respect of meter or electrical plant provided by the Distribution licensee;
- (2) Rent for meter provided by the licensee and other charges are treated as non-tariff charges and shall be determined by the Commission in accordance with the provision of Tamil Nadu Electricity Supply Code and Tamil Nadu Electricity Distribution Code.
- (3) Charges for actual electricity supplied and fixed charges are tariff related charges and the Commission shall determine these charges on an application from the Distribution licensee.

## **69. Application for determination of tariff**

- (1) The Distribution licensee shall file application for determination of tariff for retail distribution of electricity along with ARR in accordance with the procedure outlined in Regulation 6.

- (2) The application for determination of tariff by the Distribution licensee shall be accompanied with following information besides Aggregate Revenue Requirement:-
- (a) A statement showing current tariff and applicable terms and conditions of tariff.
  - (b) A statement showing Demand / Sales projection for different categories of consumers including slabwise consumption with a note on the method adopted to arrive at the projected growth rate.
  - (c) The Distribution licensee shall furnish the energy requirement detail with Aggregate Technical and Commercial loss and sources of procurement of power.
  - (d) A statement containing detail of expected revenue at the current tariff for the ensuing year or the period for which tariff is to be determined and revenue gap, if any to be matched with additional revenue from revised tariff.
  - (e) A statement showing cost to serve each category of consumer at different voltage level with the allocation of Transmission and Distribution loss and consumer wise cross subsidy at the existing tariff.
  - (f) A statement showing the subsidy received / receivable from Government at the existing tariff.
  - (g) A statement showing the changes in tariff proposed for each category of consumer and the estimated revenue at the revised tariff.
  - (h) A statement showing cross subsidy at revised tariff and subsidy committed by the Government, if any.
  - (i) Any other information that the Commission may require.

#### **70. The Aggregate Revenue Requirement of Distribution licensee**

The Aggregate Revenue Requirement of Distribution licensee consists of the following:-

- (i) Cost of Power Purchase
- (ii) Operation and Maintenance expenses
- (iii) Depreciation
- (iv) Interest and cost of finance
- (v) Income Tax
- (vi) Provision for Bad and Doubtful Debts
- (vii) Provision for Insurance

- (viii) Provision for contingency reserve
- (ix) other expenses
- (x) Return on equity / Reasonable rate of return

## **71. Sales Forecast**

- (1) The accurate projection of category-wise sales is very essential for the assessment of energy input requirement so as to determine the quantum of generation and quantum of energy to be purchased for the correct assessment of revenue requirement for generation and power purchase.
- (2) <sup>1</sup>[The Licensees] shall formulate the long term demand forecast as stipulated in sub-clause (4) of clause 6 of the Tamil Nadu Electricity Distribution Code and get the forecast approved by the Commission.
- (3) The licensee may adopt a suitable methodology like CAGR to arrive at the category wise sales for the base year i.e. for the current year.
- (4) The licensee shall forecast demand and sale of electricity for different categories of consumers in his area of supply for ensuing year, and for a period of three years taking into account the long term demand forecast already approved and also subsequent changes in situation, if any. Wherever different rates are proposed for different slabs of consumption, forecast for slabwise consumption shall also be furnished.
- (5) The Commission shall examine the forecast for reasonableness based on growth in number of consumers and consumption of electricity in the previous years and anticipated growth in the next year and any other factor that the Commission may consider relevant and approve sale of electricity to consumers with such modification as deemed fit.
- (6) The licensee shall also furnish the categorywise open access consumers and the demand and energy wheeled for them. The details may be furnished separately for the supply within the area of supply of the Distribution licensee and to the supply outside the area of supply of the Distribution licensee.
- (7) The details of bulk supply of electricity, if any to electricity traders may also be furnished.

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<sup>1</sup>*Substituted as per Commission's Notification No.TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014), which before substitution stood as under :*

*“(2) The Tamil Nadu Electricity Board / Distribution licensee”.*

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## **72. Monitoring of sale of electricity to consumers**

- 1) On the basis of approved sale forecast, the licensee shall work out the monthly / bimonthly sales requirement to different categories of consumers taking into account the seasonal variation in demand during the year.
- 2) The licensee shall monitor sales to different consumer categories and ensure that sales to any category are not unduly restricted.
- 3) The licensee shall make necessary arrangement to capture the data month / bimonthly and furnish reports to the Commission comparing the actual sale with the forecast for the period and reasons for wide variation, if any.
- 4) The licensee shall inform the Commission any extraordinary variation in sales in any month.

## **73. Transmission and Distribution Loss**

- (1) The Distribution licensee shall endeavor to have proper metering arrangements for accurate measurement of transmission loss.
- (2) Appropriate sample study with the approval of the Commission shall be conducted to estimate the consumption in unmetered services so that distribution losses are estimated fairly accurate.
- (3) The licensee shall compute and furnish loss levels at every supply voltage level.
- (4) The Distribution licensee shall furnish the Transmission and Distribution losses during the previous year and the proposed target for the Current and Ensuing Year as well as for the next three years with the details of measures proposed to achieve the target in each year.
- (5) The Commission shall fix target for reduction of losses in the next three years.

## **74. Estimate of Energy input requirement**

- (1) The Distribution licensee shall compute the quantum of energy to meet the estimated sales after the loss levels are arrived at and taking into account, the generation and auxiliary consumption in Distribution licensees own generating stations at normative PLF levels.



- (2) The Commission shall scrutinise and approve the power purchase requirement with modification as deemed fit for the tariff period and ensuing year.

#### **75. Cost of Power Purchase**

- (1) The Distribution licensee shall procure power on least cost basis and strictly on merit order despatch and shall have flexibility to procure power from any source in the country.  
A two-part tariff structure shall be adopted for all long term contracts to facilitate merit order dispatch.
- (2) They shall procure power through arrangement other than long term contracts progressively in an increasing proportion.
- (3) The cost of power purchased from Central Generating Company shall be worked out based on tariff determined by the Central Electricity Regulatory Commission.
- (4) The cost of power purchased from IPPs shall be considered based on Power Purchase Agreement.
- (5) In case of power purchased from Captive Generators and other non conventional energy sources, the cost shall be worked out as per the policy approved by the Commission.
- (6) The cost of power generated in the Generating Companies / Units owned by the licensee shall be worked out based on the transfer price determined by the Commission.
- (7) In case of short term power shortage, the licensee may procure power from any source at a tariff not exceeding the highest rate approved by the Commission.
- (8) All power purchases shall be made under tariff based bidding following the guidelines issued except in cases where tariff based bidding may not be cost<sup>1</sup>[effective].

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<sup>1</sup>Substituted for the expression “**defective**” as per Commission’s Notification No. **TNERC/TR/5/2-6, dated 26-05-2008 (w.e.f 25-06-2008).**

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#### **<sup>1</sup>[76. Hydro Balancing Fund**

- (1) There shall be created a fund called "Hydro Balancing Fund" to take care of any financial loss to the Distribution Licensee (owning Generating Stations including hydro station), on account of increase in quantum of power purchase due to adverse monsoon resulting in reduction in hydro generation.
- (2) The average contribution of power by the hydro generations in a normal monsoon year shall be at the overall average Plant Load Factor of 25% and the licensee shall estimate quantum of generation from his hydro stations at 25% PLF of the total installed capacity of all the stations as at 31st March of preceding year.
- (3) When the hydro generation in a particular year exceeds 25% PLF, the amount equivalent to the cost of power for such excess hydro generation calculated at the weighted average per unit power purchase cost in that year shall be credited to "Hydro Balancing Fund" debiting the A/c provision for Hydro Balancing Fund. This will be in addition to the Hydel Swing Support Scheme, if any sanctioned by the Government.
- (4) The Distribution Licensee may either invest the amount in easily convertible Government securities or utilize it as internal resources.
- (5) The interest earned on such investments also will have to be credited to the Fund. In case it is utilized as internal resources, a return equivalent to Bank rate notified by Reserve Bank of India shall be credited to the fund.
- (6) When the hydro generation in a particular year is less than 25% PLF, the amount equivalent to cost of power for the shortfall in generation calculated at the weighted average per unit power purchase cost in that year shall be transferred from "Hydro Balancing Fund" to the revenue account of the licensee. If the fund is insufficient, it will be adjusted only to the extent of fund availability.
- (7) The Distribution Licensee / TNEB shall also draw from the 'Hydel Swing Support Subsidy Fund' maintained by the Government to meet the shortfall if any required.
- (8) In case there is still a shortfall left unadjusted as above, such shortfall shall be allowed to be carried forward / to be adjusted in the ensuing years as regulatory asset<sup>2</sup>].

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<sup>1</sup>Substituted as per Commission's Notification No.**TNERC/TR/5/2-1**, dated 09-05-2006 (w.e.f 07-06-2006), which before substitution stood as under :

***"76. Variation in Power Purchase***

- (1) ***Any financial loss or gain on account of variation in quantum of power purchase for the reasons beyond the control of the licensees like changes in thermal – hydro mix due to natural calamities shall be allowed to be carried forward and adjusted in the next years revenue requirement and tariff allowed accordingly.***
  - (2) ***Any financial gain / loss on account of variation in power purchase not covered under sub clause (1) above shall be to the account of the licensee in the year itself".***
-

## **77. Transmission Charges**

The transmission and wheeling charges payable by the Distribution licensees to the CTU and STU shall be considered as expenses and included in the power purchase cost.

## **78. SLDC Charges**

SLDC charges if paid separately in addition to charges for usage of Network (instead of bundled transmission charges) shall be considered as expenses and included in power purchase cost for the purpose of determination of tariff.

## **79. Interest and Finance Charges**

The expenses on interest for purpose of annual revenue requirement of the Distribution licensee shall include interest payable on Security Deposit received from the consumer.

## **80. Computation of Aggregate Revenue Requirement**

- (1) The total annual expenses and return for the year referred to in Regulation 70 shall be worked out based on guidelines in Chapter III of these regulations.
- (2) The aggregate annual revenue requirement of the licensee shall be arrived at after deducting the following from the total expenses:
  - (i) Amount of other income including non tariff related charges as per regulation 68(2).
  - (ii) Income from surcharge and additional surcharge from open access consumers.
  - (iii) Wheeling charges recovered from the open access consumers
  - (iv) Authorised portion of Income from other business engaged by the licensees for optimum utilisation of assets.
  - (v) Any revenue grant received from Government (other than subsidy)

## **81. Determination of tariff**

The Commission shall determine the tariff for supply of electricity by the Distribution licensee to meet the aggregate revenue requirement after following the procedure mentioned in Chapter II of these Regulations.

## **82. Tariff Income**

Income from supply of electricity to consumers shall be assessed based on the tariff applicable to different category of consumers and the quantity of electricity estimated to be sold to them.

### **83. Profit sharing**

<sup>1</sup>[xxxx]

### **84. Cost of supply to various categories of consumers**

- (1) The licensee shall conduct a study to work out voltage level cost to serve each category of consumer and furnish the details to the Commission.
- (2) The licensee shall furnish the details along with the tariff application as required in regulation 69 (2) and also along with Annual Accounts.
- (3) The Commission shall consider and approve the cost to serve with modifications if any required.
- (4) The cost to serve a category of consumer and realisation of revenue at the tariff from each category of consumer shall form the basis for estimating the cross subsidy.

### **85. Cross subsidy, reduction and elimination**

- (1) The difference between the cost to serve and the revenue realized from the consumer category at the approved tariff level is the cross subsidy. The consumer paying more than the cost to serve is subsidizing consumer and the consumer paying less than the cost to serve is the subsidized consumer.
- (2) The Commission may endeavour to hold the tariff of the subsidising categories at the nominal rates until the tariff to subsidized categories approaches the cost to serve such categories.

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<sup>1</sup>Omitted as per Commission's Notification No. **TNERC/TR-5/2-11** dated **13-03-2014** (w.e.f. **09-04-2014**), which before omission stood as under:

**"In case, the licensee recovers more income than its aggregate revenue requirement in any year, the Commission may allow the licensee to treat the profit beyond the approved reasonable return, in the following manner:-**

- (i) **One third of the amount may be retained by the licensee to be treated as part of equity or may be paid as dividend to the shareholders.**
  - (ii) **One-third amount may be passed on to the consumers by way of reduction in revenue requirement for the next year. In case the Distribution licensee seeks for tariff revision after a gap of more than one year, one third of all the incremental earnings, during such period shall be reduced from future annual revenue requirement.**
  - (iii) **One third amount may be kept as tariff balance reserve".**
-

- (3) <sup>1</sup>[The Commission may endeavour to reduce the cross subsidy progressively in accordance with the road map to be notified by the Commission].
- (4) In view of the necessity to make electricity affordable for households of very poor category, the domestic consumers including hut dwellers consuming 30 kWh per month may be designated as lifeline categories requiring minimum level of supply. The tariff for such category may be pegged at 50% of the cost to serve the domestic consumers.
- (5) However, if the State Government requires grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall pay the amount to compensate the licensee in advance as may be required by the Commission.

#### **86. Wheeling Charges for Open Access Customers**

- (1) The Distribution licensee shall provide open access to any consumer within the area of his supply on payment of wheeling charges.
- (2) The wheeling charges for a consumer category shall be based on costs of Distribution licensee for its pure "wire business". Thus all items of revenue requirement of the Distribution licensee excluding cost of power purchase and interest on Security Deposit from consumers shall be the cost of Distribution licensee for his wire business.
- (3) The wheeling charges shall be computed taking into account the projected units sold and wheeled through Distribution System and within the ensuing tariff period.
- (4) The normative distribution system loss at the voltage at which the open access transaction is undertaken shall be borne by the consumer in kind.

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<sup>1</sup>*Substituted as per Commission's Notification No. TNERC/TR/5/2-4, dated 18-12-2007 (w.e.f 06-02-2008), which before substitution stood as under :*

**" (3). The Commission may endeavour to reduce and eliminate the cross subsidy progressively and the licensee shall prepare a road map towards this object and get it approved".**

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**87. Surcharge**

- (1) Till such time the cross subsidy is eliminated, the open access consumer shall pay surcharge in addition to the wheeling charges.
- (2) The surcharge shall be computed as per TNERC Open Access Regulations.

**88. Additional Surcharge**

When the Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the Distribution licensee of his area of supply, such consumer shall pay additional surcharge on the charges of wheeling to meet the fixed cost of such distribution licensee arising out of his obligation to supply as specified in the TNERC Open Access Regulations.

## **CHAPTER VIII MISCELLANEOUS**

**89. Power to remove difficulty**

If any difficulty arises in giving effect to any of these regulations, the Commission, may, of its own motion or otherwise, by an order and after giving a reasonable opportunity to those likely to be affected by such order, make such provisions, not inconsistent with these regulations, as may appear to be necessary for removing difficulties.

**90. Power to relax / amend**

The Commission, for reasons to be recorded in writing, may vary / amend any of the provisions of these Regulations on its own motion or on an application made before it.

**91. Review of Regulations**

The Commission shall undertake the comprehensive review of these regulations and the norms prescribed herein with the object of analyzing implementation of long-term principles and making modifications or improvement in the principles, procedures and methodologies.

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

**R.BALASUBRAMANIAN  
SECRETARY**

<sup>1</sup>[" Annexure"  
( See Regulation 24 )  
Depreciation Schedule

SL NO	DESCRIPTION OF ASSETS	DEPRECIATION RATE (SALVAGE VALUE = 10%)
<i>A</i>	<i>Land owned under full title</i>	0%
<i>B</i>	<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%
<i>C</i>	<i>Assets purchased new</i>	
(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)	Office furniture and fittings	6.33%
(i)		
(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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<sup>1</sup>Substituted as per Commission's Notification No.TNERC/TR-5/2-11 dated 13-03-2014 (w.e.f. 09-04-2014), which before substitution stood as under :

**“Annexure  
( See Regulation 24 )  
Depreciation Schedule**

Refer to Regulation 24

Description of Assets	Useful Life(yrs)	Rate (Calculated w.r.t. 90%)	
	1	2	3=1*2
A. Land owned under full title	Infinity	---	
B. Land held under lease:			
(a) for investment in land.	The period of lease or the period remaining unexpired on the Assignment of the lease.	---	
(b) for cost of clearing site	The period of lease remaining unexpired at the date of clearing the site.	---	
C. Assets:			
Purchased new :			
(a) Plant and machinery in generating Stations including plant foundations :-			
(i) Hydro-electric	35	2.57	90
(ii) Steam-electric NHRS and Waste Heat Recovery Boilers/Plants	25	3.60	90
(iii) Diesel-electric and Gas plant	15	6.00	90
(b) Cooling towers and circulating water systems	25	3.60	90
(c) Hydraulic works forming Part of hydro-electric system including:-			
(i) Dams, Spillways weirs, Canals reinforced concrete Flumes and siphons	50	1.80	90
(ii) Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works.	35	2.57	90
(d) Building and civil engineering works of a			

<b>Permanent character, not mentioned above:-</b>			
(i) Offices and showrooms	50	1.80	90
(ii) Containing thermo-electric generating plant	25	3.60	90
(iii) Containing hydro-electric generating plant	35	2.57	90
(iv) Temporary erection such as wooden structures	5	18.00	90
(v) Roads other than kutcha roads	50	1.80	90
(vi) Others	50	1.80	90
<b>(e) Transformers, transformer (Kiosk) sub-station equipment and other fixed apparatus (including plant foundations)</b>			
(i) Transformers (including foundations) having a rating of 100 kilo volt amperes and Over	25	3.60	90
(ii) Others	25	3.60	90
(f) Switchgear, including Cable connections	25	3.60	90
<b>(g) Lightning arrestors:</b>			
(i) Station type	25	3.60	90
(ii) Pole type	15	6.00	90
(iii) Synchronous condensor	35	2.57	90
<b>(h) Batteries:</b>			
(i) Underground Cable Including joint boxes and disconnected boxes	35	2.57	90
(ii) Cable duct system	50	1.80	90
<b>(i) Overhead lines including supports:</b>			
(i) Lines on fabricated steel operating at nominal voltages higher than 66 KV	35	2.57	90
(ii) Lines on steel supports operating at nominal voltages higher than 13.2 Kilo volts but not exceeding 66 Kilo volts	25	3.60	90
(iii) Lines on steel or reinforced concrete	25	3.60	90

supports			
(iv) Lines on treated wood Supports	25	3.60	90
(j) Meters	15	6.00	90
(k) Self propelled vehicles	5	18.00	90
(l) Air conditioning plants:			
(i) Static	15	6.00	90
(ii) Portable	5	18.00	90
(m) (i) Office furniture and fittings	15	6.00	90
(ii) Office equipments:	15	6.00	90
(iii) Internal wiring including fittings and Apparatus	15	6.00	90
(iv) Street light Fittings	15	6.00	90
(o) Apparatus let on hire:			
(i) Other than motors	5	18.00	90
(ii) Motors	15	6.00	90
(p) Communication equipment:			
(i) Radio and higher frequency carrier system	15	6.00	90
(ii) Telephone lines and Telephones	15	6.00	90
q) Assets purchased second hand and assets not otherwise provided for in the schedule	Such reasonable period as the competent Government determines in each case having regard to the nature, age and condition of the assets at the time of its acquisition by the owner."		

# **Terms and Conditions for determination of Tariff for Transmission / Distribution of Electricity (under MYT framework) Regulations 2009**

## **Principal Regulation and Amendments :**

- 1) TNERC/MYT/18/1, dated 11.2.2009
- 2) TNERC/MYT/18/2, dated 28.11.2012

Whereas the Tamil Nadu Electricity Regulatory Commission specified the TNERC (Terms and Conditions for determination of Tariff) Regulations 2005 (hereafter called Principal Regulations) under section 61 of the Electricity Act 2003 (Central Act 36 of 2003) read with section 181 thereof and published in the Tamil Nadu Gazette (Part VI – Section 2 Supplement) dated August 3, 2005;

And whereas sub-section (1) of Regulation 14 of the said Regulations specified that the Commission may implement multi year tariff for the Transmission and Distribution licensee for a period to be notified by the Commission;

And whereas para 5.3 (h) (1) of the National Tariff Policy notified by the Government of India on 06.01.2006 stipulated that the Multi year Tariff framework is to be adopted for any tariff to be determined from April, 2006 and hence it is considered necessary to make regulations for adoption of Multi year Tariff framework.

Now therefore in exercise of the powers conferred under section 61 of the Electricity Act 2003, (Central Act 36 of 2003) read with section 181 of the said Act, and all other powers enabling it in this behalf, and after previous publication, the Tamil Nadu Electricity Regulatory Commission, hereby makes the following Regulations, namely;

## **Chapter I**

### **General**

#### **1. Short Title and Commencement**

a. These Regulations may be called 'TNERC ( Terms and Conditions for Determination of Tariff for Intra state Transmission / Distribution of Electricity under MYT Framework ) Regulations , 2009.

b. These Regulations are applicable to any person engaged in the business of Intra State Transmission / Distribution of Electricity within the State of Tamil Nadu.

c. These Regulations shall be read along with the TNERC ( Terms and conditions for determination of tariff ) Regulations, 2005.

d. These Regulations shall come into force on the date of their publication in the Tamil Nadu Government Gazette.

## **2. Definitions:**

1) In these Regulations unless the context otherwise requires,

a) "Act" means the Electricity Act, 2003 (36 of 2003);

b) "Aggregate Revenue Requirement" (ARR) means the revenue required to meet the costs pertaining to the licensed business, for a financial year, which would be permitted by the Commission to be recovered through tariffs and charges;

c) "Base year" means the financial year immediately preceding the first year of the Control Period;

d) "CERC" means the Central Electricity Regulatory Commission established under section 76 of the Act;

e) "Commission" means the Tamil Nadu Electricity Regulatory Commission ;

f) "Conduct of Business Regulations" means the Tamil Nadu Electricity Regulatory Commission (Conduct of Business) Regulations 2004;

g) "Consumer / User contributions" means any contributions made by those using or intending to use the Transmission / Distribution network of a licensee;

h) "Control period" means a multi – year period fixed by the Commission from time to time under the Multi year Tariff framework;

i) "CTU" means Central Transmission Utility;

j) "Distribution Business" means the business of operating and maintaining a distribution system for supply of electricity in the area of supply of the distribution licensee;

k) "Distribution Licensee" means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

l) "ERC" means the Expected Revenue from Charges that a licensee is permitted to recover pursuant to the terms of his licence;

m) "Financial year" means the period commencing on 1<sup>st</sup> April of a calendar year and ending on 31<sup>st</sup> March of the immediately following calendar year;

n) "Grid Code" means the Tamil Nadu Electricity Grid Code;

o) "Licence" means a licence granted under Section 14 of the Act;

p) "Non-Tariff Income" means income other than from

(i) Tariff for Transmission / Distribution and

(ii) Income from Other licensed Business;

q) "Open Access Customer" means a consumer permitted by the Commission to receive supply of electricity from a person other than the Distribution licensee of his area of supply, and the expression includes a generating company and licensees, who have availed of or intend to avail of open access;

r) "Other Business" means any business engaged in by a Transmission / Distribution licensee under sections 41 and 51 of the Act respectively for Optimum utilization of the assets of the transmission / distribution business and shall include any business of the licensee other than the Transmission/ Distribution business;

s) "State" means the State of Tamil Nadu;

t) "STU" means the State Transmission Utility;

u) "SLDC" or "State Load Despatch Centre" means the centre established under section 31 of the Act;

v) "Tariff Regulations" means the Tamil Nadu Electricity Regulatory Commission (Terms and conditions for determination of Tariff ) Regulations, 2005;

w) "Transmission Business" means the business of transmitting electricity within the state.

2). Words or expressions occurring in these Regulations and not defined herein but defined in other Regulations published by the Commission or the Electricity Act 2003 shall bear the same meanings respectively assigned to them in the Act / Regulations.

## **Chapter II**

### **3). Multi year Tariff framework**

#### **i) <sup>1</sup>[Control Period**

The control period under the MYT framework shall be for a duration of 3 years. The year preceding the first year of the control period shall be the base year.]

#### **ii). Aggregate Revenue Requirement ( ARR )**

The licensee seeking tariff for multi year shall furnish ARR for each year of the control period in the formats specified in the Tariff Regulations along with the tariff petition.

#### **iii). Estimated Revenue from Charges (ERC) at the existing tariff**

The licensee shall furnish along with tariff petition the estimated revenue at the existing tariff for each year of the control period in the formats specified in the Tariff Regulations.

#### **<sup>2</sup>[iv). Business Plan**

Every licensee shall submit the business plan and power purchase plan for approval of the Commission, at least six months prior to submission of the MYT petition. The business plan shall contain projection for all activities including on going projects, new projects with the specific nature, loss reduction, effective and tamper-proof metering etc., The licensee shall also furnish the criteria adopted for such projection . The Commission shall issue the order on the business plan and the power procurement plan within four months of submission, so that the licensee is able to submit the MYT petition on the basis of the approved plan.]

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<sup>1</sup> Substituted as per Commission's Notification No TNERC/MYT / 18 / 3 , dated 28 -11-2012 which before substitution stood as under :

The initial control period under the MYT framework shall be for a duration of 3 years. Thereafter, each control period shall be normally for a period of 5 Financial years or such other period as may be notified by the Commission from time to time. The year preceding the first year of the control period shall be the base year.

<sup>2</sup> Substituted as per Commission's Notification No TNERC/MYT / 18 / 2 , dated 28 -2-2011 which before substitution stood as under :

*" Every licensee shall file a business plan for Commission's approval along with MYT filing for the control period. The business plan shall contain projection for all activities including on going projects, new projects with the specific nature, loss reduction, effective and tamper-proof metering etc., The licensee shall also furnish the criteria adopted for projection."*



**v). Capital Investment Plan :**

The licensee shall get the approval of the Capital Investment Plan for each year of the initial control period in accordance with the Regulation 17 of TNERC Tariff Regulations. It may be ensured that the approval of the Commission is obtained before tariff filing under MYT framework. The capital investment plan shall have capitalization schedules for each year of the control period.

The source of finance to meet the capital expenditure in each year of the control period shall also be furnished along with Capital Investment Plan.

**vi). Trajectory of specific variables**

Where the performance of the licensee is sought to be improved through incentives/ disincentives, trajectory for specific variables shall be stipulated by the Commission.

**vii). True up of variations in revenue and cost**

The variations on account of controllable factors like sales and power purchase shall be reviewed at the end of each year of the control period based on audited accounts of the licensee and prudence checks by the Commission.

**viii). Mechanism of pass through of approved gains or losses on account of uncontrollable factors.**

As stipulated in Regulation 14 of Tariff Regulations, the following constitute uncontrollable costs.

- a) Cost of fuel;
- b) Costs on account of inflation;
- c) Taxes and duties and
- d) Variation in power purchase unit cost from base line level including variation on account of hydro- thermal mix in case of force majeure and adverse natural events like draught.

The licensee shall file application for revision on account of such variation for Commission's consideration and orders. In respect of variations in power purchase unit cost due to hydro – thermal mix, the variations will be considered duly taking into account the Hydro Balancing Fund.

**ix). Mechanism for sharing approved gains or losses arising out of controllable factors.**

<sup>1</sup>[The financial loss, if any, due to failure to achieve the target for the controllable costs in any of the years in the control period shall be borne by the licensee and the efficiency gains, if any, with respect to controllable parameters shall be shared between the licensee and the consumer in the ratio of 2 : 1 .]

**x).Annual review of performance.**

a)The Commission may undertake annual review of licensee's performance at the end of each year of the control period.

b)The licensee shall submit information as part of annual review on actual performance to assess the performance vis – a – vis the targets approved by the Commission at the beginning of the control period. This shall include annual statements of its performance and accounts including latest available audited / actual accounts and the tariff worked out in accordance with these Regulations.

c)The Commission may, on an application from the licensee, may consider any modification to the forecast of the ARR for the remainder of the control period with detailed reasons for the same.

**4) Filing under MYT Frame Work**

Every licensee shall file an application for approval of ARR & ERC along with tariff proposal under MYT framework for the control period commencing from the financial year to be notified by the Commission. The filing shall be in the tariff filing formats specified in Appendix I to the Tariff Regulation and for each year of the control period (i.e) for base year, 1<sup>st</sup> year of control period, second year of control period etc.,

The Commission has already notified Tariff Regulations on 03.08.2005. The general principles of computing cost and return and calculation of ARR, estimation of revenues and formats for tariff filing in the above Tariff Regulations are to be adopted for the tariff filing under MYT framework also. The detailed procedure for making application for determination of tariff and decision on application shall be in accordance with Regulations 6 and 7 of Tariff Regulations.

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<sup>1</sup> Substituted as per Commission's Notification No TNERC/MYT / 18 / 2 , dated 28 -2-2011 which before substitution stood as under :

*" The financial loss, if any, due to failure to achieve the target for the controllable costs in any of the years in the control period shall be borne by the licensees and the gains, if any, shall be shared with the beneficiaries at 50: 50 ."*

## **5) Disposal of Application**

a) The Commission will process the licensee's filings under MYT framework in accordance with these Regulations read with TNERC conduct of Business Regulations.

b) Based on the licensee's filing and objections / suggestions from public and other stakeholders, the Commission may accept the application with such modifications and / or such conditions as may be deemed just and appropriate and issue, within 120 days of the receipt of the complete application, an Order on the tariff applicable for each year of the control period. The order shall also contain targets for controllable items.

c) The Commission may also approve, the Business plan with appropriate modifications as may be considered necessary for the control period.

## **Chapter III**

### **6) Determination of Intra State Transmission Tariff under MYT**

1) The State Transmission Utility / Transmission licensee shall make an application for determination of Transmission tariff for each year of the control period in accordance with the provisions in Tariff Regulations.

2) The annual Transmission charges for the control period shall be estimated based on the audited annual accounts of the licensee.

3) The Transmission charges shall be computed as detailed below.

The annual transmission charges consist the following:

- i). Interest on loan capital,
- ii). Depreciation,
- iii). Operation and Maintenance expenses,
- iv). Interest on working capital,
- v). Return on Equity,

The above charges shall be computed on the following basis under MYT framework.

### **7) Interest on loan capital**

The borrowings and repayments for each year of the control period may be arrived at with reference to the approved capital investment plan and the estimated internal resources.

Interest on loan for each year of the control period may be calculated in form 13 in Appendix I ( Part –III ) to the Tariff Regulations.

#### **8) Depreciation**

Depreciation rates shall be as per the Schedule annexed to the Tariff Regulations.

Addition to the asset base in each year of the control period shall be as per the approved capitalization schedule.

#### **9) Operation and Maintenance (O & M)**

The Operation and Maintenance expenses include the following.

Repairs & maintenance costs;

Employee-related costs and

Administrative & general expenses,

The O& M expenses shall be derived on the basis of actual expenses for the past five years previous to base year based on the audited Annual Accounts, after prudence check by the Commission.

The O& M expenses so arrived for the base year may be escalated by four per cent per annum for every year of the control period.

The licensee may also propose indexation for estimating the O & M expenses.

O & M expense is a controllable cost and the licensee cannot recover the cost in excess of norms. The licensee shall share the gains on account of savings with the beneficiaries as provided in regulation 3(ix).

#### **10) Interest on working capital**

Norms for working capital shall be as per regulation 26 of Tariff Regulations. The quantum of working capital for each year of the control period may be computed with reference to the value of different components applicable for the respective years. The rate of interest on working capital shall be equivalent to short term primary lending rate of State Bank of India as on 1<sup>st</sup> April of the initial year of the control period. The variation in the rates in the subsequent years in the control period will be considered in the True up.

### **11) Return on Equity**

Return on Equity shall be 14% per annum post tax for each year of the control period and computed in accordance with regulation 22 of Tariff Regulations.

<sup>1</sup>[The Distribution licensee shall achieve various indices related to supply availability as given by the Commission from time to time. For every under achievement of 1% in composite availability for urban and rural areas, ROE shall be reduced by 0.1%.]

### **12) Transmission capacity**

The STU / Transmission licensee shall furnish, along with tariff application, the capacity allotted to all long term customers on the base year and estimates for the allotted capacity for each year of the control period. The STU / Transmission licensee shall also furnish the estimates for the available capacity for each year of the control period with reference to planned generation capacity additions.

### **13) SLDC Charges**

The STU/ Transmission licensee may segregate and furnish the value of SLDC assets for the purpose of determining SLDC charges.

### **14) Unbundling of Transmission cost**

Wherever the licensee is functioning as an integrated utility, the transmission cost is to be segregated and projected appropriately for each year of the control period.

### **15) Taxes on income.**

The tax on income of the Transmission licensee shall be computed as expenses and allowed as pass through. The licensee shall estimate the income tax for each year of the control period. The difference, if any, will be adjusted based on the actual tax assessed.

### **16) Incentives**

The Transmission Licensee shall be entitled to incentive @ 1% of equity for each percentage point of increase in annual availability beyond the

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<sup>1</sup>Inserted as per Commission's Notification No **TNERC/MYT / 18 / 2 , dated 28 -2-2011**

target availability prescribed under regulation 58(b) (i.e) 98% in accordance with the following formula

$$\text{Incentive} = \text{Equity} * (\text{Annual Availability achieved} - \text{Target availability}) / 100.$$

A portion ( as decided by the Commission) of the incentive shall be shared with the long term OA customers in the ratio of their average allotted capacity.

#### **17). Expected Revenue from charges at the existing tariff**

The STU/ Transmission licensee shall furnish the expected revenue at the existing tariff for each year of the control period in the format prescribed in the Tariff Regulations along with tariff petition under MYT framework.

#### **18) Other Income**

The STU / Transmission licensee shall furnish the details of estimated other income for each year of the control period in the format specified in the Tariff Regulations.

#### **19) Detailed tariff proposal (multi year)**

The STU / Transmission licensee shall propose tariff for each year of the control period based on the estimated annual transmission charges and estimated allotted capacity as provided in Regulation 12 for the same for each year of the control period.

#### **20) Determination of Transmission charges**

The transmission charges payable by the long term intra state open access customers like the distribution licensees and other beneficiaries, for each year shall be arrived at as per Regulation 59 of the Tariff Regulations. The charges for usage of transmission facilities by long term beneficiaries shall be based on the capacity allotted and on MW / Day basis.

#### **21) Charges for State Load Despatch Center (SLDC )**

Till such time the cost of SLDC is segregated, the charges for SLDC for each year of the control period shall be determined by the Commission on a lump sum basis.

## **22) Reactive power charges under MYT framework**

The Reactive power charges for each year of the control period shall be regulated as per the Tariff Regulations. The rate will be notified by the Commission in the MYT Tariff order.

## **Chapter IV**

### **Determination of Tariff for Distribution of electricity under MYT**

#### **23) Application for determination of tariff**

The Distribution licensee shall file application for determination of tariff under MYT framework for **each year of the control period** for retail supply of electricity along with ARR in accordance with the procedure notified in the Tariff Regulations.

The application shall also be accompanied with the following statements for each year covered in the control period in the formats specified in the Tariff Regulations.

- a) A statement showing current tariff and applicable terms and conditions .
- b) A statement showing demand / sales projections for different categories of consumers including slab wise consumption with a note on the method adopted to arrive at the projected growth rate.
- c) The energy requirement details with Aggregate Technical and Commercial loss and sources of procurement of power.
- d) A statement containing details of expected revenue at the current tariff for each year of the control period and the revenue gap to be matched with tariff at each year.
- e) A statement showing cost to supply for electricity to different category of consumers at different voltage level with the allocation of Transmission and Distribution loss and consumer wise cross subsidy at the existing tariff.
- f) A statement showing the subsidy received / receivable from Government at the existing tariff.
- g) A statement showing the changes in tariff proposed for each category of consumer and the estimated revenue at the revised tariff.

h) A statement showing cross subsidy at revised tariff and subsidy committed by the Government, if any.

i) Any other information that the Commission may require.

#### **24) Demand and energy forecast**

The Distribution licensee shall forecast the demand and sale of electricity for different categories of consumers (including slab wise consumption ) for each year of the control period .

The licensee may adopt a suitable methodology like CAGR to arrive at the category wise sales for the base year.

The licensee shall also furnish the category wise existing open access customers with the demand and the estimated number of consumers who may opt for open access and the estimated energy to be wheeled in each year of the control period. The details may be furnished separately for the supply within the area of the Distribution licensee and to the supply outside the Distribution licensee.

#### **25) Aggregate Technical and Commercial loss ( AT & C )**

The Commission shall fix benchmarks for reduction of losses and the licensee shall achieve the target fixed for each year of the control period .

The AT & C loss is a controllable item and the financial loss, if any, on account of failure to achieve the target shall be borne by the Distribution licensee. The gains, if any, on account of achieving the loss below the targeted level shall be shared with the consumers.

The Distribution licensee may arrange for third party verification of energy audit results for different areas / localities. They may propose to impose area / locality specific surcharge for greater AT & C loss levels which could generate local consensus for effective action for better governance.

The Distribution licensee may introduce local area based incentive and disincentive schemes to it's staff, linked to reduction in losses.

#### **26) Estimation of Energy Input Requirement**

The energy input requirement shall be computed on the basis of estimated demand and AT & C loss for each year of the control period.



## **27) Energy Availability**

The Distribution licensee shall furnish the sources and quantum of energy to be procured for each year of the control period duly taking into account the Merit Order Dispatch principles and the estimated increase in available capacity.

Wherever the Distribution licensees have their own generating stations, the availability from generation shall be computed with reference to the normative plant load factor and auxiliary consumption.

The availability from own Hydro stations shall be computed based on 25 % plant load factor as specified in the Tariff Regulations.

<sup>1</sup>[Supply availability should be measured on the basis of power contracted by the distribution licensee on a long-term basis for the power procurement plan submitted by the utility.]

## **28) Cost on power purchase**

The Distribution licensee shall forecast power purchase cost for each year of the control period strictly based on merit order dispatch.

The Distribution licensee may file a petition for fuel surcharge adjustment (FSA) wherever there is variation in power purchase cost due to changes in fuel price during the control period. The Commission may issue orders to allocate per unit increase / decrease in the cost of power purchase to various categories of consumers appropriately.

The increase in power purchase cost due to increase in quantum of purchase consequent to failure of monsoon shall be adjusted against the Hydro Balancing Fund.

## **29) Operation and Maintenance (O & M )**

The Operation and Maintenance expenses include the following.

Repairs & maintenance costs;

Employee-related costs and

Administrative & general expenses,

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<sup>1</sup> Inserted as per Commission's Notification No **TNERC/MYT / 18 / 2** , dated **28 -2-2011**

The O & M expenses shall be derived on the basis of actual expenses for the past five years previous to base year based on the audited Annual Accounts, after prudence check by the Commission.

The O & M expenses so arrived for the base year may be escalated by four per cent per annum for every year of the control period.

The licensee may also propose indexation for estimating the O & M expenses.

O & M expense is a controllable cost and the licensee cannot recover the excess cost in excess of norms. The licensee shall share the gains on account of savings with the beneficiaries as provided in Regulation 3(ix).

### **30) Depreciation**

Depreciation rates shall be as per the Schedule annexed to the Tariff Regulation.

Addition to the asset base in each year of the control period shall be as per the approved capitalization schedule.

### **31) Interest on loan capital**

The borrowings and repayments for each year of the control period may be arrived at with reference to the approved capital investment plan and the estimated internal resources.

Interest on loan for each year of the control period may be calculated and furnished in form 13 in Appendix I ( Part –III ) to the Tariff Regulations.

### **32) Taxes on income.**

The tax on income of the Distribution licensee shall be computed as expenses and allowed as pass through. The licensee shall estimate the income tax for the each year of the control period. The difference, if any, will be adjusted based on the actual tax assessed.

### **33) Bad and doubtful Debts**

The Distribution Licensee shall make a provision of 0.25 % on outstanding debtors for each year of the control period towards Bad and doubtful Debts in accordance with the Regulation 29 of TNERC Tariff Regulations.

#### **34) Insurance**

The Distribution Licensee may adopt the practice of Self Insurance and a provision upto 0.5 % of the Capital Cost shall be allowed by the Commission in their Revenue Requirement for each year of the control period.

#### **35) Contingency Reserve**

To meet out any contingent liability or unforeseen revenue losses, the Distribution licensees shall maintain a contingency reserve. The Distribution Licensees shall estimate the contingency reserve on the value of Assets for each year of the control period.

#### **36) Return on Equity**

Return on Equity shall be 14% per annum post tax for each year of the control period and computed in accordance with regulation 22 of Tariff Regulations.

#### **37) Expected Revenue at the existing tariff**

The Distribution licensee shall furnish the expected revenue at the existing tariff for each year of the control period in the format prescribed in the Tariff Regulations along with tariff petition under MYT framework.

#### **38) Non tariff income**

The Distribution licensee shall furnish the details of estimated non tariff income for each year of the control period in the format specified in the Tariff Regulations.

#### **39) Other Income**

The Distribution licensee shall furnish the details of estimated other income for each year of the control period in the format specified in the Tariff Regulations.

#### **40) Detailed tariff proposal (multi year)**

Under the MYT proposals, the Distribution licensee shall indicate tariff rates for each year of the control period to various categories of consumers taking into account the ARR, Non tariff income and other income.

#### **41) Proposal for Wheeling charge, Surcharge and additional charge**

The Distribution licensee shall submit along with MYT tariff filing, proposal for determination of Wheeling charge, Surcharge and additional surcharge for each

year of the control period. The proposal shall contain the following details for each year of the control period.

- i) Estimated value of assets - voltage wise.
- ii) Estimated quantum of sale of energy to different categories of consumers at each voltage.
- iii) Estimated break up cost ( revenue expenses ) for supply at EHT, HT and LT voltages.
- iv) Estimated voltage wise AT & C loss.
- v) Estimated cross subsidy levels.
- vi) Estimated quantity of demand likely to be stranded.

## **Chapter V**

### **Miscellaneous**

#### **42) Power to amend:**

The Commission for reasons to be recorded in writing, may, at any time, add, vary, alter, modify, delete or amend any provisions of these Regulations, on it's own motion or on an application made before it .

#### **43) Power to remove difficulties:**

If any difficulty arises in giving effect to any provisions of these Regulations, the Commission may, on it's own or otherwise, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

#### **44) Inherent power of the Commission :**

Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for the reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

*(Reprinted by Order of the Commission)*

**(S. Gunasekaran)**  
**Secretary**  
*Tamil Nadu Electricity  
Regulatory Commission*

**(Procedure for payment of subsidy by the State Government) Regulations, 2008**  
**(Notification No. TNREC/ PPS/17 / dated 22-09-2008)**

Whereas, under Section 65 the Electricity Act, 2003, (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify the manner of payment of subsidy by State Government, in case the State Government requires grant of subsidy to any consumer in the tariff determined by the Commission and it is felt necessary to frame Regulations for the above purpose;

And whereas, the Regulations providing for the manner of payment of subsidy by the State Government shall be subject to previous publication and accordingly undergone previous publication;

Now, therefore, under Section 65 of the said Electricity Act, 2003, read with clause (zp) of sub-section (2) of Section 181 thereof and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations, namely :—

**1. Short Title and Commencement :**

- (i) These Regulations may be called the TNERC(Procedure for payment of subsidy by the State Government) Regulations, 2008.
- (ii) These Regulations shall come into force on the date of their publication in the Tamil Nadu Government Gazette.

**2. Definitions :**

- (i) 'Act' means the Electricity Act, 2003(Central Act 36 of 2003);
- (ii) 'beneficiary' means any consumer or class of consumers who is granted subsidy by the State Government under Section 65 of the Act;
- (iii) 'Commission' means the Tamil Nadu Electricity Regulatory Commission;
- (iv) 'GOTN' means the State Government of Tamil Nadu;
- (v) 'person' shall include any company or body corporate or association or body of individuals, whether incorporated or not or artificial juridical person;
- (vi) 'subsidy' means any direct financial grant by the GOTN to compensate any person affected by waiver or exemption or reduction directed by the GOTN in tariffs as determined by the Commission under Section 62 of the Act;

(vii) Unless the context otherwise requires, the words and expressions in these Regulations, and not defined herein; but defined in other Regulations published by the Commission or in the Act shall bear the same meaning assigned to such terms in the Regulations or the Act.

### **3. Intent of these Regulations :**

The intent of these Regulations is to define subsidy, the method of its computation, the manner in which it shall be paid by the GOTN, the person eligible to receive subsidy and consequences of delays or non receipt of subsidy by the concerned person.

### **4. Subsidy and manner of payment :**

(i) The GOTN, if it desires to grant any subsidy, shall inform the Commission, through policy direction, and the distribution licensees of its decision along with the relevant details. The communication from the GOTN to the Commission conveying its decision shall clearly identify the beneficiaries, the quantum of consumption proposed to be subsidized and the per unit subsidy to be provided. The amount of subsidy shall be computed by multiplying the quantum of consumption to be subsidized by the subsidy per unit committed by the GOTN to the distribution licensees. Where the Commission has ordered collection of monthly minimum, such minimum shall be taken into account while computing the total subsidy. The Commission shall, by order, fix a schedule of payment of the subsidy in advance by the GOTN.

(ii) In case the GOTN desires that the subsidy is to be factored in, while determining the tariff for the ensuing year, it shall direct the distribution licensees to estimate the total financial support necessary for the ensuing year for implementing the decision of the GOTN and intimate the same to the Commission and the GOTN latest by 30th November of each year.

(iii) In case the communication regarding subsidy to be factored in the tariff for the ensuing year is not received before 30th November of the current year, or along with tariff petition, the Commission would go ahead with the determination of retail tariff for the ensuing year without considering the subsidy and thereafter, the GOTN can provide subsidy to any consumer or class of consumers in the tariff determined by the Commission.

## **5. Manner of Payment of Subsidy by State Government :**

(i) The distribution licensee shall charge the subsidised tariff to a consumer or class of consumers for whom the GOTN has committed the subsidy, subject to release of subsidy in advance.

(ii) The subsidy shall be payable by the GOTN to the distribution licensee in advance as below as per the following schedule of payment ordered by the Commission :—

Domestic consumers : Monthly

Agricultural & Hut consumers : Half Yearly

Other consumers : Quarterly

(iii) The GOTN shall provide the subsidy to the distribution licensee, in cash, in advance. If the GOTN desires to adjust the subsidy payable towards concessional or free supply against any dues from the distribution licensee to GOTN, it can be done with the prior approval of the Commission.

(iv) The distribution licensee shall provide quarterly information to the Commission and to the GOTN, of the subsidy claimed and the subsidy received in advance from the GOTN.

(v) As on date of commencement of these Regulations, if there are any arrears (principal and interest), payable by any consumer or class of consumers towards the tariff and the same is waived off by the GOTN, the GOTN shall make good the distribution licensee such amounts within three months from the date of waiver.

(vi) The arrears of revenue from tariff waived off by the GOTN and remaining unpaid in the books of accounts of the distribution licensee, shall be cleared by the GOTN, through release of additional subsidy, within one year of the date of coming into force of the Regulations.

(vii) The distribution licensee shall reconcile the actual subsidy received with actual consumption within six months from the close of the financial year and send proposal for adjustment of subsidy. The Commission may approve the final subsidy.

## **6. Consequences of non payment, partial payment or excess payment of Subsidy**

(i) In case subsidy is not received as per the schedule of payment ordered by the Commission in advance under regulation 4(i), the distribution licensee shall charge the consumers at the tariff determined by the Commission.

(ii) The distribution licensee, while raising the bill on the consumer, shall clearly indicate in each bill (a) the amount payable as per the tariff determined by the Commission (b) the amount of subsidy paid by the GOTN and (c) the net amount payable by the consumer for the billing period.

(iii) After reconciliation of actual consumption with subsidy. If it is found that the subsidy paid by the GOTN is less than the actual subsidy as finally determined by the commission, the GOTN shall pay the same along with the next release after the Commission's Order on final subsidy. In case the subsidy actually paid is excess, the GOTN shall adjust the same in the next release.

#### **7. Power to Amend :**

The Commission, either suo motu or on an application by any person or by distribution licensee or by any consumer, may at any time add, vary, modify or amend any provisions of these Regulations.

#### **8. Savings :**

(i) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.

(ii) Nothing in these Regulations shall bar the Commission from adopting, in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

(iii) Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter of exercising any power under the Act, for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner as it thinks fit.

**Secretary**  
Tamil Nadu Electricity Regulatory Commission