

**No. L-7/25(5)/2003-CERC
CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

**Shri Bhanu Bhushan, Member
Shri R. Krishnamoorthy, Member**

In the matter of

Amendment of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004.

And in the matter of

Clarifications on the amendments effective from 7.1.2008

The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2007 have come into force with effect from 7.1.2008. In accordance with Regulation 19 and Regulation 35 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff), as amended above, infirm power injected into the system by the generating stations for which tariff is determined by the Commission based on capital cost, is to be accounted for as Unscheduled Interchange (UI), at the revised rate specified under clause (1) of Regulation 24 and 42. As per the proviso added to clause (1) of Regulation 24, UI rate for sale of power from coal, lignite and APM gas-fired generating stations has been capped at 406 paise/kWh. This capping of UI rate shall also be applicable to sale of infirm power from these generating stations.

2. As a consequence of the above, all orders in respect of the thermal power generating stations wherein the Commission has approved energy charge rates for supply of infirm power stand superseded with effect from 7.1.2008, except in case of Muzaffarpur TPS. UI rate cap specified through the above amendments shall not be

applicable for Muzaffarpur TPS during its present phase (prior to stable operation), since provisional capacity charge, though provided for in the PPA dated 22.8.2006 signed between the parties, has been disallowed by the Commission in its order dated 11.9.2007 in Petition No. 65/2007.

3. The Commission shall separately specify the manner of utilization of UI amount accumulated on account of differential arising from capping of UI rate for coal, lignite and APM gas-fired generating stations. For the time being, amount collected shall be utilized to pay to the constituents any arrears of UI charges caused by non-payment of UI charges by some of the States.

4. In the context of amendments to clause (2) of Regulation 42 and Regulation 45, all hydro-electric generating stations are advised to continue to assess and sincerely declare their MW and MWh capability for the next day in the normal fashion, i.e. without getting biased by the deviations in net energy for the previous days, and without attempting to make any adjustments for such deviations in the DC for the next day being advised to RLDC/SLDC. In the same context, RLDCs and SLDCs are advised to schedule the scheduled energy for the day, e.g. $S4 = E4 + (A1 - E1)$, in the manner the schedule for the day would have been drawn had the declared energy been $S4$.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi, dated the 14th January 2008