

CENTRAL ELECTRICITY REGULATORY COMMISSION
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(Tele No. 24364911 FAX No. 24360010)

No. L-7/25(5)/2003-CERC

New Delhi the

NOTIFICATION (DRAFT)

In exercise of powers conferred under Section 178 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations to further amend the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, hereinafter referred to as “the principal regulations”, namely: --

1. **Short title and commencement:** (1) These regulations may be called the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2008.

(2) These regulations shall come into force with effect from 1.4.2008.

2. **Amendment of Regulation 31:** (1) Clause (ix) of Regulation 31 of the principal regulations shall be substituted as under, namely:-

“(ix) ‘Date of Commercial Operation’ or ‘COD’ in relation to a generating unit means the date declared by the generating company from which, after notice to the beneficiaries, scheduling process as per Regulation 45 of

these regulations shall be fully implemented, and the Capacity Charge and the Energy Charge would be payable along with adjustment for Unscheduled Interchange, and in relation to a generating station, the date of commercial operation means the date declared by the generating company after demonstrating the peaking capability corresponding to the Installed Capacity (IC) of the generating station through a successful trial run, after notice to the beneficiaries.”

(2) Clause (xvii) of Regulation 31 of the principal regulations shall be substituted as under, namely:-

(xvii) “Normative Saleable Capacity” means the capacity (MW) available for sale after allowing 12% free power to the home State, when all generating units are available, and shall be = Installed Capacity x (1 – Normative Auxiliary Energy Consumption – Normative Transformation Loss) x 0.88.

(3) After clause (xvii) of Regulation 31 of the principal regulations, the following shall be inserted, namely:-

(xviiA) “Normative Annual Saleable Energy” means the quantum of annual energy available for sale after allowing 12% free energy to home State, corresponding to annual Design Energy, and shall be = Annual Design Energy x (1 – Normative Auxiliary Consumption – Normative Transformation Loss) x 0.88.

(4) Clauses (vi), (x), (xii), (xx), (xxv), (xxvi) and (xxvii) of Regulation 31 of the principal regulations shall be omitted.

5. **Amendment of Regulation 32:** Clause (i) of Regulation 32 of the principal regulations shall be substituted as under, namely:-

“ (i) Normative Annual Plant Availability Factor (NAPAF) :

(a) For storage type generating stations and run-of-river generating stations with pondage-

(i) During first year of commercial operation - 75%

(ii) After first year of commercial operation - 80%

Note: The Commission may in appropriate cases and after recording reason in support thereof specify a different Normative Annual Plant Availability Factor for a generating station.

(b) For Purely Run-of-river power stations :

To be specified plant-wise by the Commission, depending on hydrology.”

6. **Amendment of Regulation 37:** Regulation 37 of the principal regulations shall be substituted as under, namely:-

“37. Normative Annual Fixed Charge for a hydro-electric generating station shall be specified year-wise in Rupees, and shall consist of :

(a) Interest on loan capital;

- (b) Depreciation, including Advance Against Depreciation;
- (c) Return on equity ;
- (d) Operation and maintenance expenses; and
- (e) Interest on working capital.”

7. **Amendment of Regulation 38** : The heading of Regulation 38 of the principal regulations shall be substituted as under, namely:-

“Computation of Normative Annual Fixed Charge: The Normative Annual Fixed Charge shall be computed on the following basis, namely-”

8. **Amendment of Regulation 39** : Regulation 39 of the principal regulations shall be substituted as under, namely:-

“39. The Normative Annual Fixed Charge determined under these regulations shall be bifurcated into two (2) parts, namely Normative Annual Capacity Charge (NACC) and Normative Annual Energy Charge (NAEC), for notional recovery as the capacity charge and the energy charge respectively, in the ratio of 50 : 50.

Provided that the Commission may in appropriate cases and for reasons to be recorded in writing specify a different bifurcation of the Normative Annual Fixed Charge.”

9. **Amendment of Regulation 40:** Regulation 40 of the principal regulations shall be substituted as under, namely:-

“40. (1) The capacity charge payable to the generating company for a day shall be :

(Capacity Charge Rate x Declared Capacity in MW for that day x 0.88), where
Capacity Charge Rate (in Rupees per MW per day) = $\text{NACC} / (\text{Normative Saleable Capacity in MW} \times \text{NAPAF} \times 365)$.

(2) The energy charge payable to the generating company for a day shall be:

(Energy Charge Rate x Scheduled Energy in MWh for that day, x 0.88), where
Energy Charge Rate (in Rupees per MWh) = $\text{NAEC} / \text{Normative Annual Saleable Energy in MWh}$.”

10. **Amendment of Regulation 41:** Regulation 41 of the principal regulations shall be substituted as under, namely:-

“41. During the period between the date of commercial operation of the first unit of the generating station and the date of commercial operation of the generating station, the capacity charge rate and the energy charge rate shall be those arrived at for the whole generating station, based on latest estimate of the completion cost.”

11. **Amendment of Regulation 45:** (1) The words “and calculating capacity index” in the second line of Regulation 45 of the principal regulations shall be omitted.

(2) In clause (ii) of Regulation 45 of the principal regulations the words “along with maximum available capacity (MW)” shall be omitted.

(3) Clauses (xvii) and (xviii) of Regulation 45 of the principal regulations shall be omitted.

12. **Amendment of Regulation 48:** Clause (iv) of Regulation 48 of the principal regulations shall be omitted.

Sd/-
(K.S. Dhingra)
Chief (Law)

Note

The principal regulations were notified in the Gazette of India (Extraordinary) Part III, Section 4 on 29.3.2004 and were amended from time to time as under:

(i) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2004, notified in the Gazette of India (Extraordinary), Part III, Section 4 dated 9.9.2004.

(ii) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2005, notified in the Gazette of India (Extraordinary), Part III, Section 4 dated 25.8.2005.

(iii) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2006, notified in the Gazette of India (Extraordinary), Part III, Section 4 dated 8.6.2006.

(iv) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Amendment) Regulations, 2007, notified in the Gazette of India (Extraordinary), Part III, Section 4 dated 14.3.2007.

(v) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2007, notified in the Gazette of India (Extraordinary), Part III, Section 4 dated 27.4.2007.

(vi) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2007, notified in the Gazette of India (Extraordinary), Part III, Section 4 dated 1.10.2007.

(vii) Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Fourth Amendment) Regulations, 2007 notified in the Gazette of India (Extraordinary) Part III, Section 4 dated 31.12.2007.