

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 175/2011 (suo motu)**

**Coram: Shri S.Jayaraman, member  
Shri M.Deena Dayalan, Member**

**Date of order: 26.8.2011**

**In the matter of**

Liquidation of arrear payments in installments in respect of provisional orders / final orders passed by the Commission granting / determining the annual fixed charges for the period 2009-14 for Central Generating Stations namely, National Hydro Power Corporation Ltd, NEEPCO Ltd, NTPC Limited and Transmission licensee namely Power Grid Corporation of India Ltd.

**ORDER**

The Commission by its final orders had determined the annual fixed charges by its various orders in respect of the following generating stations:-

**NHPC Ltd**

- (a) Petition No. 109/2010 (Dhauliganga HEP)
- (b) Petition No. 75/2010 (Tanakpur HEP)
- (c) Petition No. 60/2010 (Dulhasti HEP)
- (d) Petition No. 90/2010 (Bairasiul HEP)
- (e) Petition No. 74/2010 (Uri HEP)

**NEEPCO Ltd**

Petition No. 296/2009 (Ranganadhi HEP)

2. Similarly, in respect of the petitions filed by NTPC and PGCIL for determination of generation tariff and transmission tariffs respectively for the period 2009-14, the Commission by its orders dated 6.7.2011/12.8.2011 and 30.6.2011 has granted provisional tariff for the period 2009-14 subject to adjustment as per proviso to clause (3) of Regulation 5 of the 2009 regulations, after the final tariff orders are issued.



3. In the orders passed by the Commission as stated above, no provision has been made for payment of arrears of the differential amounts to the generating stations by the utilities as a result of the said orders.

4. Representations have been received from Punjab State Power Corporation Ltd, (PSPCL) Patiala vide its letters dated 16.5.2011, 8.6.2011 and 10.8.2011 respectively praying for a generic order for inclusion of a provision for payment of the said arrear amounts based on the said tariff orders in at least six monthly installments, in order to provide them the financial relief and for arrangement of funds and payments on time.

5. Clauses (3) & (4) of Regulation 5 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, as amended provide as under;

*“(3) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to provisionally bill the beneficiaries or the long-term customers with the tariff approved by the Commission and applicable as on 31.3.2009 for the period starting from 1.4.2009 till approval of tariff by the Commission in accordance these regulations.*

*Provided that where the tariff provisionally billed exceeds or falls short of the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall refund to or recover from the beneficiaries or the transmission customers, as the case may be, within six months along with simple interest at the following rates for the period from the date of provisional billing to the date of issue of the final tariff order of the Commission:*

- (i) SBI short-term Prime Lending Rate as on 01.04.2009 for the year 2009-10.]*
- (ii) SBI Rate as on 01.07.2010 plus 350 basis points for the Base year 2010-11.*
- (iii) Monthly average SBI Base Rate from 01.07.2010 to 31.3.2011 plus 350 basis points for the year 2011-12.*
- (iv) Monthly average SBI Base Rate during previous year plus 350 basis points for the year 2012-13 and 2013-14.*

*Provided that in cases where tariff has already been determined on the date of issue of this notification, the above provisions, to the extent of change in interest rate, shall be given effect to by the parties themselves and discrepancy, if any, shall be corrected at the time of truing up.*



*(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:*

*Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations."*

8. It is observed from the above that the difference between the tariff provisionally charged and the provisional / final tariff determined by the Commission shall be recoverable / refunded within six months with simple interest at the rate equal to SBI PLR from 1.4.2009 to 30.6.2010 and at a rate equal to SBI AR with effect from 1.7.2010. Though the said regulations are silent about the number of installments, they do lay down the period of six months within which the arrears are to be recoverable / refundable with interest.

9. In consideration of the prayer of PSPCL and keeping in view the difficulties faced by the beneficiaries of the central generating stations / transmission licensee, we direct that the arrears arising out of the differences between the tariff provisionally billed and the provisional / final tariff be liquidated by the beneficiaries in six monthly installments within a period of six months, subject to the payment of interest as per regulations.

Sd/-  
**(M. Deena Dayalan)**  
Member

Sd/-  
**(S.Jayaraman)**  
Member

