

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Coram : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V. S. Verma Member
Shri M. Deena Dayalan, Member**

No. L-7/145(160)/2008-CERC

Date: 21st June, 2011

In the matter of:

Central Electricity Regulatory Commission (Terms and Conditions of Tariff)
(Second Amendment) Regulations, 2011.

STATEMENT OF REASONS

Introduction

1. The Central Electricity Regulatory Commission (CERC) had constituted in July, 2009, a Task Force headed by Shri Rakesh Nath, Chairperson, Central Electricity Authority (CEA) and ex-officio Member, CERC for examining the issues relating to tariff structure for generating stations set up for meeting the peak demand and to suggest measures that could suitably incentivize and also mitigate the risks to the investors who want to set up power stations for meeting peaking power requirements. The Task Force was also mandated to consider the desirability of permitting differential peak and off-peak tariffs even for base load power plants.

2. The Task Force submitted its report in March 2010 having due regard to the legal and policy framework in this context, relevant reports on power sector reforms, power supply position based on the load generation balance report of CEA, the transactions in the short-term market.

3. The report of the Task Force was considered by the Commission in its meetings dated 12.4.2010 and 17.8.2010. In due consideration of the recommendations of the Task Force, the Commission had proposed amendments to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter “2009 regulations”) with following deviations:

- (i) With regard to the recommendations of the Task Force in respect of existing base load thermal generating stations to provide for peak and off-peak tariff, it was proposed to give option to such existing thermal generating stations to opt for an alternate methodology for the recovery of capacity charges during peak and off-peak periods in place of existing methodology.
- (ii) In case existing combined cycle gas/liquid fuel based generating stations of NTPC opt for the alternate methodology, then the combined cycle gross station heat rate was proposed to be increased by 0.5% instead of 2% as recommended by the Task Force. The rationale behind the proposal was that the operation level of these stations is unlikely to deteriorate much from the existing operating level and rather there is scope for improvement in the operation level due to availability of RLNG in future.
- (iii) It was also proposed to provide for recovery of energy charges in case of pumped storage generating stations at a flat rate of 80 Paise/kWh instead of the average of the energy charge rate of preceding 12 months in respect of the thermal generating stations in the region where the pumped storage

station is situated. The proposal was in line with the rate of 80 Paise/kWh for the energy charge payable over and above the design energy in case of conventional hydro generating station.

4. Since the task force had also recommended the tariff structure for the gas based open cycle gas turbine peaking station and gas based reciprocating engine peaking station, it was considered necessary to provide for operational norms and O&M norms for such stations.

5. Apart from the above, it was also proposed to amend the following provisions of 2009 regulations for the reasons indicated:

- (i) Amendment of Regulations 5, 6 and 18 of 2009 regulations on account of doing away with the PLR system in Banks by the RBI and replacing it with base rate system,
- (ii) Providing for truing up of capital cost as on 1.4.2009 upfront with regard to un-discharged liability, if any, in the last proviso of Regulation 7 of 2009 regulations in order to remove the anomaly between Regulation 7 and Regulation 3 (2).
- (iii) Amendment in Regulation 9 (2) to provide for additional capitalization after about 15 years on the renovation of gas turbines.

- (iv) Amendment of Regulation 15 due to change in the rate of Minimum Alternate Tax including surcharge and cess.
- (v) Amendment to Regulation 18 (1) (b) (ii) to provide for liquid fuel stock duly taking into account the mode of operation of the generating station on gas fuel and liquid fuel.
- (vi) Amendment in Regulation 32 regarding sharing of transmission charges and losses as per the Central Electricity Regulatory Commission (Sharing of inter-State transmission charges and losses) Regulations, 2010 from the date of its coming into effect.

6. Accordingly, Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2010 was published on the Commission's web site on 3.9.2010 seeking comments/suggestions of the stakeholders by 10.10.2010. An open hearing was held by the Commission on 21.10.2010 in which stakeholders projected/explained their views on the proposed amendments.

7. Comments/suggestions have been received from a number of stakeholders, including generators, beneficiaries, traders, Central Transmission Unit (CTU), Original Equipment Manufacturers [OEM], system operators, and individuals etc. A list of stakeholders, who have offered their comments/suggestions, is enclosed as **Annexure-I**.

8. The draft amendments and the comments of the stakeholders have been discussed in the succeeding paragraphs.

introduction of peak and off-peak tariffs

9. In the draft amendments, differential peak and off-peak tariff structures in respect of following types of generating stations were proposed:

- (a) Existing and New Thermal Generating Stations (Coal/Lignite and Gas/Liquid fuel based combined cycle Stations)
- (b) Existing and New Hydro Generating Stations
- (c) New Gas Turbine Open Cycle Peaking Stations
- (d) New Gas fired Reciprocating Engine Peaking Stations
- (e) Pumped Storage Hydro Generating Schemes

10. The Commission has reconsidered its proposal for introduction of peak and off-peak tariff, keeping in view the fact that in the Tariff Policy, Government of India, Ministry of Power have not provided exemption to peaking power plants from competitive bidding route with effect from 5.1.2011. Accordingly, the proposals regarding peak and off-peak tariff in the draft amendment have not been included in the amendment.

Amendments of Regulations 5, 6 and 18 providing for interest rate based on base rate system

11. Amendments were proposed in Regulations 5, 6 and 18 of 2009 regulations in line with the recent directives issued by Reserve Bank of India, according to which the

lending rates of the banks were required to be linked to the Base Rate instead of Prime Lending Rate of the respective bank, with effect from 1.7.2010. These regulations provide for interest rate for recovery due to provisional tariff {Regulation 5(3)}, Truing up {Regulation 6(4), (5), (6)} and Interest on Working Capital {Regulation 18(4)}.

12. It was proposed that the Base Rate of the State Bank of India plus 350 basis point, based on SBI lending rate for the home loan to the base rate of 7.50% as on 1.7.2010 plus 350 basis point would be adopted as the interest rates for the purpose of tariff.

13. KSK Energy Ventures Ltd and NTPC Ltd have submitted that the interest rates should be 'plus 425 basis points' to equate to SBI PLR of 11.75% and base rate of 7.5% as on 30.6.2010. NHPC has submitted that the interest rate should be 'plus 450 basis points' to equate to SBI PLR of 12.25% as on 1.4.2010.

14. UPPCL has submitted that the Section 62(6) of the Act provides for payment of interest only by generators/licensees with simple interest at bank rate and does not provide for payment of interest by the beneficiaries. UPPCL has further submitted that the State Electricity Regulatory Commissions may not allow recovery of arrears with interest from consumers for the past periods. Moreover, Supreme Court judgment dated 3.3.2009 in Writ Petition No. 1110/2007 prohibits recovery of tariff of past consumers from the new consumers. UPPCL has submitted that the Regulations 5(3) and 6(6) may be amended accordingly and Regulation 6(5) may be deleted. UPPCL has further

submitted that the proposed interest rate is 'presumptive hedging' and hence is not acceptable.

15. NEEPCO has submitted that the words "for the period from date of billing on the basis of provisional tariff to the date of billing on the basis of final tariff approved by the Commission" may be added after the words "interest at the following rates" in Regulation 5(3). NEEPCO has further submitted that the last para of Regulation 6(6) is redundant and the title of the Regulation "Truing up of Capital Expenditure and Tariff" may be modified as "Truing up of Capital Expenditure and other components of Tariff" so that changes that affect any of the five components of Annual Fixed Charges are taken care of.

16. We find that the suggestions of considering interest rate at SBI base rate plus 425 or 450 basis point to be equated to SBI PLR of 11.75% as on 30.6.2010 and of 12.25% as on 1.4.2010 do not appear to be reasonable. It may be noted that banks usually provide spread of around (-) 2-3%, depending upon the credit rating of the company. Further, same rates have been specified by the Commission in the 'Tariff guidelines for Roof-top PV and other small solar power plants and the industries have found it acceptable despite more risk involved. One may argue that the bank exposure would be much higher in case of thermal and hydro generating stations as compared to the rooftop solar PV or small solar plants. The banks usually restrict their expose to one particular project by going through a consortium of banks. Therefore, we are of the view that SBI base rate plus 350 basis point should be considered as the interest rate for the purpose of tariff.

17. As regards UPPCL's submission that Regulation 6(5) of 2009 regulations is not consistent with section 62(6) of the Electricity Act, 2003 (the Act), we are of the view that the proposed amendment is for replacing the rate of interest at SBI short term Prime Lending Rate with the SBI Base rate system in tune with the directives of Reserve Bank of India to the banks, and not for the purpose of reviewing the necessity of retaining Regulation 6(5) in the 2009 regulations. Section 62(6) of the Act seeks to put restrictions on the tendency of the generators and licensees to recover charges exceeding the tariff determined under the Act so that the consumers are not overburdened. The purpose of Regulations 6(4) and 6(5) of 2009 regulations are different and are intrinsically linked to the philosophy adopted in the regulations to allow tariff on the basis of projected capital expenditure during the tariff period in order to avoid frequent revision and providing for truing up at the end of the tariff period. The provisions of Regulation 6(4) and 6(5) of 2009 regulations are based on the principles of equity and are not inconsistent with the provisions of the Act. We also do not subscribe to the view of UPPCL that taking cognizance of and introducing the new base rate system amounts to pre-emptive hedging.

18. NEEPCO's suggestions have been taken note of and the language of the regulation has been corrected wherever necessary.

Truing up of capital cost as on 1.4.2009 with regard to un-discharged liabilities (Regulation 7)

19. It was proposed to amend the last proviso of Regulation 7 to provide for truing up of the capital cost as on 1.4.2009 upfront with regard to the un-discharged liabilities for

the purpose of determining the opening capital cost as on 1.4.2010. The Commission has observed as follows in the Explanatory Memorandum issued with the draft amendments:

“7.1 Commission has approved the tariff for the period 2004-09 in terms of Regulations 2004-2009 based on the actually incurred expenditure after deducting undischarged liabilities for the gross block. The Interpretation of Actually incurred expenditure became subject matter of litigation before APTEL in appeal no. 151 and 152 of 2007. The Appellate Tribunal in its judgment dated 10.12.2008 decided the issue as under:

Quote

“25. Accordingly, we allow both the appeals in part. We direct that the appellant be allowed to recover capital cost incurred including the portion of such cost which has been retained or has not yet been paid for.

26. The Commission is directed to give effect to the directions given herein in the truing up exercise and consequent subsequent tariff orders.”

Unquote

7.2 This requires that the closing capital cost as on 31.3.2009 as approved by the Commission shall undergo change due to the true up exercise to be taken up in already decided cases. This may delay the determination of tariff during 2009-14. Regulation 7 of 2009 Tariff Regulations provides that ‘in case of the existing projects, the capital cost admitted by the Commission prior to 1.4.2009 and the additional capital expenditure projected to be incurred for the respective year of the tariff period 2009-14, as may be admitted by the Commission, shall form the basis for determination of tariff.’

7.3 Therefore, there is a need for upfront truing up (in line with ATE judgment) with regard to un-discharged liability based on information furnished by the Generators or the transmission utility. Accordingly, the last proviso of regulation 7 has been proposed to be amended.

20. UPPCL has submitted that the original provision should be retained since the provision of truing up already exists under Regulation 6. Moreover, the proposed amendment should not be made as the matter related to undischarged liability is sub-judice before the Supreme Court in CA No.6286-6288 of 2009 (CERC v NTPC & Others) and CA No.5200 of 2009 (UPPCL v NTPC & Others). NTPC on the other hand has submitted that the Appellate Tribunal has been of the consistent view that undischarged liabilities should be part of the capital cost. (Judgement dated 10.12.2008

in Appeal Nos. 151 and 152 of 2007, Judgement dated 16.3.2009 in Appeal Nos. 133, 135, 126 & 148 of 2008, judgement dated 21.8.2009 in Appeal No.54 of 2009, and judgement dated 27.7.2010 in Appeal No.82 of 2009). NTPC has further submitted that the reasoning given for the proposed amendment is not in line with the directions of the Appellate Tribunal. NTPC has also submitted that “there has always been a mismatch between the capital cost for tariff/regulatory accounts and the Gross Block in the Books of Accounts of the stations. The amount of undischarged liability in the Gross Block is reflected in the books of accounts but it will not be correct to mirror the liabilities in the capital cost. In view of this it would not be fair to expect the generating company to indicate the liabilities in the capital cost or to exclude the entire liabilities in the Gross Block from the capital cost of the stations.”

21. We have carefully considered the issue. The Appellate Tribunal for Electricity in its judgement dated 10.12.2008 in Appeal Nos.151 and 152 of 2008 had interpreted the term expenditure “actually incurred” in the context of Regulations 17 and 18 of the 2004 Tariff Regulations and had observed that “the entire value of the capital asset, as soon as the same is put into commercial operation is recoverable by way of capital cost under Regulation 17 itself, notwithstanding the fact that part of the payment of the capital asset has been retained”. In the 2004 Tariff Regulations, the term “expenditure actually incurred” was not defined and the Appellate Tribunal interpreted the term by giving a possible interpretation in terms of the judgement quoted above. However, Regulation 3(2) of 2009 regulations in defines the term “expenditure incurred” as under:

“(2) ‘expenditure incurred’ means the fund, whether the equity or debt or both, actually deployed and paid in cash or cash equivalent, for creation or acquisition of a

useful asset and does not include commitments or liabilities for which no payment has been released”.

Regulation 7 which deals with capital cost and Regulation 9 which deals with additional capitalization talk about “expenditure incurred or projected to be incurred” and read with Regulation 3(2), it would mean that capital expenditure or additional capital expenditure where funds have actually been deployed and paid in cash shall be admitted in tariff. In other words, commitments or liabilities where payments have not been released would not be allowed in tariff. Last proviso to Regulation 7 which deals with the existing projects provides as under:

“Provided also that in case of the existing projects, the capital cost admitted by the Commission prior to 1.4.2009 and the additional capital expenditure projected to be incurred for the respective year of the tariff period 2009-14, as may be admitted by the Commission, shall form the basis for determination of tariff.”

The Commission has implemented the judgement of the Appellate Tribunal with regard to undischarged liabilities, subject to final outcome of the appeals filed in the Supreme Court. During the 2004-09 period, undischarged liabilities in respect of the generating stations of NTPC have been allowed to be capitalized if the assets have been put to use. Some of the undischarged liabilities allowed during 2004-09 are yet to be discharged as on 1.4.2009. Since the 2009 regulations provides for capitalization of assets for the purpose of tariff only when the payments thereof has been made by cash or cash equivalent, there is a requirement to provide for suitable provision for switching over from the capitalization on accrual basis to capitalization on the basis of actual payment made, so that the anomaly arising between Regulation 3(2) and last proviso to Regulation 7 can be removed. For this purpose, last proviso to Regulation 7 of 2009 regulations have been amended to provide for a truing up of undischarged liabilities

upfront for the purpose of determining the opening capital cost as on 1.4.2009 in respect of the existing projects.

Amendment of Regulation 9 providing for additional capitalization after about 15 years on the renovation of gas turbines

22. The Commission has given elaborate reasoning for providing additional capitalization in case of renovation and modernization of gas turbines after about 15 years. This provision became necessary due to extension of life of gas based stations as 25 years from 15 years historically. In case the useful life of the gas turbines would have been retained as 15 years, there was no need of such a provision and Regulation 10 would have taken care of any additional capitalisation on account of R&M.

23. NTPC has welcomed the addition of such a provision in respect of gas based stations but has urged for extension of similar provision for the coal based stations. It has been further submitted that the compensation allowance provided in case of coal/lignite-based stations is not sufficient. NTPC has also sought to justify the similar provision based on proposal for additional capitalisation in certain coal based stations to deal with fuel shortage condition by providing Wagon tippler etc.

24. The UPPCL and MPPTCL have objected to the introduction of such a provision.

25. We have considered the objections and suggestions received. So far as coal based stations are concerned, provision for compensatory allowance was made in 2009

regulations based on additional capitalisation data of NTPC stations from 1992 onwards available with Commission which covered the following heads of expenditure:

- (a) Balance payments on works within original scope of works
- (b) Expenditure related to Environment Action Plan (EAP) on new assets
- (c) Expenditures on account of design deficiencies or unexpected expenditures which does not occur in normal course
- (d) Expenditure on minor assets
- (e) R&M Expenditure due to obsolescence or non availability of spares

26. The expenditure in the nature of balance payment on works within original scope of works is covered under additional capitalisation up to cut off date. The expenditure in the nature of Environmental Action Plan (EAP) is covered under change of law. Any balance payment after the cut-off date is expected to be in the nature of dispute and covered under expenditure as per the court order or award of arbitration. In spite this, certain payments may remain withheld due to contractual exigencies pertaining to works executed within the cutoff date and capitalization of such undischarged liabilities should also be allowed after cutoff date as additional capitalization for discharging the said liabilities. A provision in this regard has been made with the additional requirement of verification based on the details of such undischrge liability, cost of contact package, reason for withholding of payment and realeasing of payments etc.

27. The expenditure due to design deficiency cannot be passed on to the beneficiaries. Expenditures arising out of fuel shortage conditions due to not getting full

linkage of coal on account of government policy cannot be incorporated in the norms for compensation allowance as such expenditure cannot be foreseen. Such expenditures can be considered by the Commission absolutely on merit by either invoking power to relax or by including a specific provision in this regard. Since the generators do not have any control over such circumstances and situations, we have made a specific provision for allowing justified additional capital expenditures after prudence check.

28. The expenditures arising out of obsolescence and non availability of spares and assets of minor nature are covered under the compensatory allowance. The data relied upon by the Commission in arriving at compensatory allowance in the 2009 regulations was not contested by NTPC. Instead, NTPC merely sought more compensatory allowance without supporting its claim with any reliable and verifiable data. On this consideration, we do not find any justification for providing similar provision for the coal/lignite based stations or review of compensatory allowance.

29. We are of the view that in the absence any provision for compensatory allowance for gas based stations, there is a need to provide for additional capitalisation for such stations. However, such additional capital expenditure could be allowed only after de-capitalising the original gross value of assets being replaced. Since the R&M on gas turbines would be in the nature of major overhaul, it requires suitable adjustment of capital spares included in the normative operation and maintenance expenses. Accordingly, a new clause is proposed to be added as Regulation 9 (2) (vi).

Amendment of Regulation 15 to deal with changes in the rate of Minimum Alternate Tax

30. The Commission proposed to amend the Regulations 15 to deal with changes in the rate of Minimum Alternate Tax (MAT). The commission has observed in the Explanatory Memorandum as under:

“4.2 After the notification of the 2009 regulation on 20.1.2009, the MAT rate which was 10% for the financial year 2008-09 has been increased to 15% for the Financial Year 2009-10 and 18% for the Financial Year 2010-11. The Powerlink Transmission Ltd. had filed a Petition No. 17/2010 before the Commission submitting that truing up of Return on Equity with actual MAT tax rate with the tariff petition filed for the next tariff period would result in substantial difference of tariff on year to year basis for the tariff block 2009-14 which would result in cash flow mismatch.

4.3 Commission vide order dated 3.8.2010 in above Petition No 17/2010 decided as follows:

“5. After the notification of the 2009 regulation on 20.1.2009, the MAT rate which was 10% for the financial year 2008-09 has been increased to 15% for the Financial Year 2009-10 and 18% for the Financial Year 2010-11. This substantial change in the MAT rate has serious impact on the funds position of the generating company / the transmission licensee and the beneficiaries. The generating companies/transmission licensees are required to pay income tax in the relevant financial year. If requisite fund is not made available to them for meeting this statutory obligation, they will face problem in cash flow as they will be able to get the under-recovered amount (along with simple interest at the rate equal to the short-term Prime Lending Rate of State Bank of India as on 1st April of the respective year) from the beneficiaries in just six installments after the truing up exercise at the end of the tariff period. On the other hand, the beneficiaries and long term transmission customers will have to pay a huge amount of tax arrears in just six installments and may result in tariff shock to the consumers. This situation needs to be addressed.

6. We are of the view that this issue of ‘grossing up the base rate with the normal tax rate for the year 2008-09’ is generic in nature and therefore, it will be appropriate to make suitable provisions in the 2009 regulations to cater to any future changes in the tax rate. Accordingly, we direct the staff of the Commission to prepare and submit draft amendment to the 2009 regulations for allowing grossing up of base rate of return with the applicable tax rate as per the Finance Act for the relevant year and direct settlement of tax liability between the generating company/transmission licensee and the beneficiaries/long term transmission customers on year to year basis. Any under/over recovery on account of direct settlement of tax liability shall be subject to the final adjustment at the time of true up exercise.”

31. There is no objection from any of the stakeholders on the proposed amendment. There are comments of minor nature which are discussed below:

32. Torrent Power has submitted that the recovery of any additional return on equity may be allowed along with simple interest rate. They have also sought to clarify that definition of Finance Act will also cover proposed Direct Tax Code.

33. UPPCL has submitted that Regulation 15(5) as proposed may be deleted in view of true up provision. They have further submitted that the Utilities should not be allowed to recover directly, as this may lead to disputes and is 'delegation of power'. They have also requested to consider the impact of 80IA.

34. PGCIL has submitted that the words 'normal' be replaced with 'Minimum Alternate/Corporate Income' and 'Finance Act' with 'as per Income Tax Act, 1961 (as amended from time to time) and the same is accepted.

35. In our view payment of interest on recovery of any additional return on equity would be as per the provisions of tariff regulation and as such no special dispensation is required in this regard. The Direct Tax Code is still not finalized and therefore, Finance Act does not take into cognizance of it. With regard to the UPPCL's objection that utility should not be allowed to recover directly, we are of the view that such a provision of direct recovery is not being made for the first time. Such a provision existed in the 2004 tariff regulations with regard to Income Tax and FERV. Even 2009 tariff regulations also contain a similar provision with regard to FERV. As such, UPPCL's suggestion in this regard cannot be accepted. With regard to the issue of passing on the benefits of Section 80 IA of the Income Tax Act, 1961, it is clarified that unlike 2004 tariff

regulations where the income tax on core business of the generating company or transmission licensee was being borne by the beneficiaries, under the 2009 tariff regulations, management of its tax portfolio is the responsibility of the generating company or the transmission licensee as the case may be, and the beneficiaries do not any liability in this regard. As regards the issue of retention of the benefits of Section 80IA of Income Tax Act, 1961, the Commission has consciously allowed the generating company or transmission licensee to retain such benefits

Provision for liquid fuel stock duly taking into account the mode of operation of the generating station on gas fuel and liquid fuel.

36. The Commission had proposed to amend the Regulation 18 (1) (b) (ii) to provide for liquid fuel stock duly taking into account the mode of operation of the generating station on gas fuel and liquid fuel. The Commission has observed in the Explanatory Memorandum as follows:

“9.1 The Regulation 18 (1) (b) (i) and (ii) reads as follows:

(i) Fuel cost for one month corresponding to the normative annual plant availability factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel;

(ii) Liquid fuel stock for ½ month corresponding to the normative annual plant availability factor, and in case of use of more than one liquid fuel, cost of main liquid fuel.

9.2 The fuel cost of 1 month is determined duly taking into account mode of operation of the generating station on gas fuel and liquid fuel but the same is not mentioned in respect of liquid fuel stock whereas the liquid fuel stock is also determined duly taking into account mode of operation of the generating station on gas fuel and liquid fuel in various tariff orders of the Commission. Thus to make it clear, it proposed to substitute the existing provision with following:

“(ii) Liquid fuel stock for ½ month corresponding to the normative annual plant availability factor, duly taking into account the mode of operation of the generating stations of gas fuel and liquid fuel and in case of use of more than one liquid fuel, cost of main liquid fuel.”

37. NTPC has submitted that the Liquid fuel stock should be maintained perpetually for such periods for which gas supply is affected.

38. In our view, mode of operation over a year or over a quarter of the year is a sufficient indicator for the period for which gas supply which could be affected. Further, relating stock to mode of operation would encourage generator to optimize the stock for its own benefit as well for the benefit of the beneficiaries.

Amendment in Regulation 32 in view of notification of the Central Electricity Regulatory Commission (Sharing of inter-state transmission charges and losses) Regulation 2010

39. The Commission had proposed to amend Regulation 32 observing in the Explanatory Memorandum as under:

“6.1 CERC has notified Central Electricity Regulatory Commission (Sharing of Inter-state transmission charges and losses) Regulation 2010 on 15th June, 2010, which shall come into effect from 1.1.2011. After implementation of this regulation, the present methodology of sharing of transmission charges as per regulation 32 would be replaced with the provisions as per above new regulation. Regulation 32 is being amended to provide for this change in methodology from the date of CERC (Sharing of inter-state transmission charges and losses) Regulation 2010 coming into effect.”

40. No one has opposed the above amendment. NHPC has submitted that the amendment should be made applicable from 1.4.2009. The Central Electricity Regulatory Commission (Sharing of inter-state transmission charges and losses) Regulations, 2010 shall come into effect from 1.7.2011.

Sd/-
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MEMBER

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CHAIRPERSON

List of Stakeholders who had responded to the draft regulations

1. South Asia Energy Policy
2. Narmada Hydroelectric Development Corporation Limited (HDC Ltd.)
3. TATA
4. Power System Operation Corporation Limited (PSOCL)
5. National Thermal Power Corporation (NTPC)
6. PTC India Limited
7. North Eastern Electric Power Corporation Limited (NEEPCO)
8. KSK Energy Ventures Limited
9. C Power Vtrium Pvt. Ltd .
10. National Hydro Power Corporation Limited (NHPC)
11. Torrent Power
12. U.P. Power Corporation Limited
13. Gujarat Urja Vikas Nigam Limited (JUVNL)
14. Eastern Region Power Committee (ERPC)
15. Tamil Nadu Electricity Board (TNEB)
16. THDC India Limited
17. AES India Pvt. Limited
18. WARTSILA India Limited
19. Power Grid Corporation Limited (PGCL)
20. JAIPRAKASH Power Ventures Limited
21. Madhu Gupta & Co.