

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

**Shri Ashok Basu, Chairman
Shri K.N. Sinha, Member
Shri Bhanu Bhushan, Member**

**Petition No. 67/2003
(Suo motu)**

In the matter of

Determination of terms and conditions of tariff applicable from 1.4.2004

**ORDER
(DATE OF HEARING: 24.6. 2004)**

In exercise of power conferred under Section 178 of the Electricity Act, 2003, the Commission has notified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. These regulations have come into force on 1.4.2004 and are to remain in force for a period of 5 years, unless reviewed earlier or extended by the Commission.

2. Clause (i) of Regulation 30 and Clause (i) of Regulation 48 of the regulations deal with billing and payment of capacity charges by the beneficiaries in proportion to their shares in the installed capacity. Note 1 and Note 2 under these regulations deal with sharing of capacity charges for allocation of unallocated share by Central Government and re-allocation of power as a result of surrender of a part of the allocated share by a beneficiary. These provisions envisage that allocation of unallocated shares and re-allocation of surrendered shares shall be notified by the Member Secretary, Regional Electricity Board or the Regional Power Committee at least three days in advance of the allocation or re-allocation, as the case may be, taking effect.

3. Presently, scheduling by RLDCs is done on a day ahead basis. The drawal schedules (based on allocation of the states) that are to be implemented from midnight (0.00 hrs of the next day), are prepared and released during the day by RLDCs in accordance with the prescribed procedure. In case of reallocation from a central generating station to a state located in a different region, it requires coordination among different RLDCs and RLDCs of all the affected regions are required to incorporate the changes in their computer data base in order to reflect the same in scheduling as well as energy accounting. The eleventh hour changes can lead to confusion and at times post facto corrections may be needed in the drawal schedules, which may adversely affect some of the beneficiaries. In order to avoid such situations and to provide sufficient preparatory time, the Commission had specified that the Member Secretary, Regional Electricity Board or Regional Power Committee should notify revisions in allocations or re-allocations at least three (3) days in advance of such allocation or re-allocation coming into effect.

4. It has been represented by some of the beneficiaries that the above-noted provisions cause delay in availing benefit of revised allocations of the central generating stations, made by the Central Government from time to time, on an immediate basis particularly in emergencies. The beneficiaries have pleaded that the time period of three days required for re-scheduling should be minimized so that the benefit of revised allocations are available to the concerned state utilities early.

5. In the light of concerns expressed by some of the state utilities, we direct that Notes 1 and 2 below Regulations 30 (i) and 48 (i) shall be suitably amended so that the

allocation of unallocated power by the Central Government or re-allocation of the power surrendered by a beneficiary, may be notified by the Member Secretary, Regional Electricity Board or Regional Power Committee, at least twenty four hours in advance. In other words, the revised allocations issued by the Member Secretary any time on a particular day would be implemented from the midnight of the next day. We would like, however, to impress upon the Central Government to avoid last hour changes in the allocations, as far as possible.

6. The action for amendment of the relevant provisions shall be taken immediately. Meanwhile, the above changes directed by us shall come into force with immediate effect and without waiting for formal amendment of the relevant provisions made in the regulations.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 7th July 2004