

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

Petition Nos. 37/2010 and 38/2010

Sub: Miscellaneous petition under Regulations 44 "Power to Relax" of the Central Electricity Regulatory Commission (Term and Conditions of Tariff) Regulations, 2009 for relaxation of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) regulations, 2009.

Date of hearing : 29.4.2010

Coram : Shri S.Jayaraman, Member
Shri M.Deen Dayalan, Member

Petitioner : Power Grid Corporation India Ltd. Gurgaon

Respondents : Tamil Nadu Electricity Board, Chennai and Others

Parties present :

1. Shri M.G Ramchandran (Advocate) PGCIL
2. Shri U.K Tyagi (GM commercial) PGCIL
3. Shri Rajeev Gupta (Manager) PGCIL
4. Shri R.B Sharma (Advocate) BSEB
5. Shri Pramod chaudhary MPPTCL

Through these applications, the petitioner, Power Grid Corporation of India Ltd. has prayed to relax the norms under regulation 44 of the Central Electricity Regulatory Commission (Term and Conditions of Tariff) Regulations, 2009 for relaxation of the regulations (the 2009 regulations).

2. Heard representatives of the parties present.

3. Learned Counsel for the petitioner submitted that the petitioner has approached the Hon'ble commission on point of law. Learned Counsel relied on Regulation 44 the 2009 regulations, under which the Commission has wide range of power to relax any provision of the regulations if it is apparently working in adverse manner. Learned Counsel further submitted that Hon'ble Commission is the framer of the regulations and it can relax and even amend the regulations at any point in time by its own motion or on application made before it by any interested party.

4. Learned counsel for the petitioner further stated that as per regulation 15 (3) of the 2009 regulations, rate of return on equity shall be computed by

grossing up the base rate with the normal tax rate for the year 2008-09 applicable to the concerned generating company or the transmission licensee, as the case may be, and they were basically dwelling on the point that the rate of return on equity was to be commuted based on the normal tax rate for the year 2008-09 which was 11.33% , but as per the current rate has revised to 19.33%. This according to him affected the cash flow of the petitioner who had to pay 10% extra. He pointed out that this was causing drastic change in the cash flow of the petitioner.

5. Learned Counsel for BSEB submitted that the present hearing was for the filing of the provision of the law relating to maintainability of the petition. After admission of the petitions, the respondent would file its response on merit, he added.

6. The representative of MPPTCL raised the issue of Rate of Equity (ROE) and also drew the attention of the Commission to Appendix-2 of the 2009 regulations.

7. Learned counsel for the petitioner prayed for one week time to file written submission. Request was allowed. Accordingly, the petitioner was directed to file written submission on maintainability of petitions.

8. Subject to above, order in these was reserved.

Sd/-
(T. Rout)
Joint Chief (Law)