

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Dated: 5th of November, 2015

NOTIFICATION

No. L-1/144/2013/CERC: In exercise of powers conferred under Section 178 of the Electricity Act, 2003 (36 of 2003) read with Section 61 thereof and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations to amend Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred as “the Principal Regulations”):

1. Short title and commencement

(1) These regulations may be called the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2015.

(2) These regulations except Regulation 23A shall come into force from the date of publication in the Official Gazette.

(3) Regulation 23A shall come into force with effect from 1.6.2015 and shall be applicable for the years 2015-16 and 2016-17 unless extended further.

2. Amendment to Regulation 7 of the Principal Regulations:

(1) The following proviso shall be added after proviso (i) under Clause 7 of Regulation 7 of the Principal Regulations:

“(i a) The difference between the tariff determined in accordance with proviso (i) above and the tariff determined in accordance with Regulation 6 of these regulations shall be recovered or refunded with simple interest at the rate equal to the bank rate as on 1st April of the respective year, in three equal monthly instalments.”

(2) The following proviso shall be added after proviso (i) under Clause 8 of Regulation 7 of the Principal Regulations:

“(i a) The difference between the tariff determined in accordance with proviso (i) above and the tariff determined in accordance with Regulation 6 of these regulations shall be recovered or refunded with

simple interest at the rate equal to the bank rate as on 1st April of the respective year, in three equal monthly instalments.”

3. Amendment to Regulation 8 of the Principal Regulations: (1) In Clause(6) of Regulation 8 of Principal Regulations, the second sentence shall be substituted as under:

“The financial gains computed as per the following formulae in case of generating station other than hydro generating stations on account of operational parameters as shown in Clause 2 (a) (i) to (iii) of this Regulation shall be shared in the ratio of 60:40 between the generating stations and beneficiaries.”

(2) The following proviso shall be added after the formula given under Clause (6) of Regulation 8 of the Principal Regulations:

Provided that in case of hydro generating stations, the net gain on account of Actual Auxiliary Energy Consumption being less than the Normative Auxiliary Energy Consumption, shall be computed as per following formulae provided the saleable scheduled generation is more than the saleable design energy and shall be shared in the ratio of 60:40 between generating station and beneficiaries:

- (i) When saleable scheduled generation is more than saleable design energy on the basis of normative auxiliary consumption and less than or equal to saleable design energy on the basis of actual auxiliary consumption:

Net gain (Million Rupees)=
(Saleable Scheduled generation in MUs- Saleable Design energy on the basis of normative auxiliary consumption in MUs) x 0.90

- (ii) When saleable scheduled generation is more than saleable design energy on the basis of actual auxiliary consumption:

Net gain (Million Rupees)=
{Saleable Scheduled generation in MUs- [(Saleable Scheduled Generation in MUs x (100-normative AEC in %))/(100- actual AEC in %)]}x 0.90

4. Amendment to Regulation 9 of the Principal Regulations: A new sub-clause shall be added under sub-clause (b) of Clause (2) of Regulation 9 of Principal Regulations as under:

“(bi) Any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period shall form part of the capital cost.”

5. Amendment to Regulation 12 of the Principal Regulations: In second proviso to sub-clause (ii) of Clause (2) of Regulation 12 of the Principal Regulations, the word “and IEDC” shall be inserted after the word “IDC”.

6. Addition of a new Regulation to the Principal Regulations: A new regulation, namely Regulation 23A shall be inserted after Regulation 23 of the Principal Regulations:

“**23A. Tariff Determination of Gas based generating stations:** The tariff of gas based generating stations covered under the “Scheme for Utilization of Gas based power generation capacity” issued by the Government of India, Ministry of Power vide Office Memorandum No. 4/2/2015-Th.1 dated 27.3.2015 shall be determined in due consideration of the provisions of that scheme in deviation of the relevant regulations”.

7. Amendment to Regulation 25 of the Principal Regulations: In Clause (1) of Regulation 25 of the Principal Regulations, the last sentence shall be substituted as under:

“The actual tax on income from other business streams including deferred tax liability (i.e. income on business other than business of generation or transmission, as the case may be) shall not be considered for the calculation of effective tax rate.”

8. Amendment to Regulation 27 of the Principal Regulations: The following proviso shall be added under Clause (3) of Regulation 27 of the Principal Regulations:

“Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.”

9. Amendment to Regulation 29 of the Principal Regulations: In the table under sub-clause (b) of Clause (1) of Regulation 29 of the Principal Regulations, the words “Durgapur TPS (Unit-1)” shall be substituted by the words “Durgapur TPS (Unit-3)”.

10. Amendment to Regulation 49 of the Principal Regulations: Regulation 49 of the Principal Regulations shall be substituted as under:-

“49. Deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Deferred tax liabilities for the periods from 1.4.2009 to 31.3.2014 and 1.4.2014 to 31.3.2019 shall not be recoverable from the beneficiaries or the long term transmission customers/DICs, as the case may be.”

11. Amendment to the Appendix II to the Principal Regulations: In Appendix II (Depreciation Table) to the Principal Regulations, the following shall be added under Serial No. (o):

(iii)	Fibre Optic	6.33%
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**Sd/-
(Shubha Sarma)
Secretary**

Note: The Principal Regulations were published on 12th March, 2014 in the Gazette of India Extraordinary Part III-Section 4 at Serial No.83.