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CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

No. L-1/9/2009-CERC

Dated: 12<sup>th</sup> April, 2010

## NOTIFICATION

In exercise of powers conferred under Section 62(5) read with Section 178 (2)(u) of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations, namely:-

### CHAPTER-1

#### PRELIMINARY

#### 1. Short title, commencement and applicability

- (1) These regulations may be called the Central Electricity Regulatory Commission

(Procedures for calculating the expected revenue from tariffs and charges)  
Regulations, 2010.

- (2) These regulations shall come into force with effect from the date of their publication in the Official Gazette.
- (3) These regulations shall apply in all cases where tariff other than those based on non-conventional energy sources is determined by the Commission.

## **2. Definitions**

- (1) In these regulations, unless the context otherwise requires-
  - (a) ‘**Act**’ means the Electricity Act, 2003 (36 of 2003), including the amendments thereto;
  - (b) ‘**Applicant**’ means a generating company or transmission licensee who has made an application for determination of tariff in accordance with the Act and Regulations made thereunder;
  - (c) ‘**Assets**’ for the purpose of these regulations include (i) in respect of the generating company, the whole or part of the generating station; and (ii) in case of transmission licensee, the whole or part of the transmission system or the transmission line or the sub-station for which tariff is determined by the Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and as amended from time to time including any subsequent regulations as may be specified by the Commission under Section 61 of the Act;
  - (d) ‘**Auditor**’ means a practicing chartered accountant or cost accountant or a firm of chartered accountants or cost accountants, qualified to carry out audit in accordance with the provisions of Sections 224, 233 B and 619 of the Companies Act, 1956 (1 of 1956), or any other law for the time being in force, as the case may be;
  - (e) ‘**Commission**’ means the Central Electricity Regulatory Commission

referred to in sub-section (1) of Section 76 of the Act;

- (f) **‘Expected Revenue from Tariffs and Charges’** means the revenue estimated to accrue to the applicant, assessed on technical and commercial reasonableness and based on past performances, from the business of generation or transmission, as the case may be, in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time including any subsequent regulation as may be specified by the Commission under Section 61 of the Act;
  - (g) **‘Formats’** mean the formats specified in Appendix-I to these regulations for the purpose of submission of information by the generating company or transmission licensee in respect of expected revenues and charges determined by the Commission;
  - (h) **‘Other Business’** means any business engaged in by a transmission licensee under Section 41 of the Act for optimum utilization of its assets.
- (2) These regulations shall be in addition to the requirements to comply with such procedures for calculating the expected revenues from tariffs and charges by the generating company or transmission licensee in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, as amended from time to time including any regulations as may be specified by the Commission under Section 61 of the Act in future.
  - (3) Words and expressions used in these regulations and not defined shall have the meaning assigned to them in the Act, rules or regulations made thereunder.

## CHAPTER-2

### SUBMISSION OF INFORMATION AND CALCULATION OF EXPECTED REVENUE FROM TARIFF AND CHARGES

#### 3. Submission of information

- (1) Every applicant shall submit information in the formats in respect of expected revenue from tariffs and charges determined by the Commission from time to time.
- (2) The formats shall be submitted annually under affidavit on or before 30<sup>th</sup> November of each year containing the financial position for the previous financial year, current financial year and the ensuing financial year:

Provided that the formats for the previous financial year shall be based on the audited financial statements of that year; for the first half of the current financial year shall be based on finalised statements of accounts upto 30<sup>th</sup> September and for the second half of the current financial year and the ensuing year shall be based on provisional/estimated figures duly certified through an affidavit.

Provided further that the information in respect of the assets commissioned after 30<sup>th</sup> September of the current financial year shall be submitted within 90 days of their commercial operation.

- (3) While submitting the information in the formats, the following shall be complied with as a minimum requirement:
  - (i) The generating company shall forecast its availability based on the fuel availability, scheduled maintenance and operating norms as specified by the Commission.
  - (ii) The transmission licensee shall estimate the transmission charges, open access charges, and other charges as specified by the Commission.
- (4) The Commission may adopt such procedures and issue such directions as may



be considered necessary for the purpose of validation of data and analysis of the underlying assumptions of the data submitted by the generating company and transmission licensee under these regulations.

### **CHAPTER-3**

#### **MISCELLANEOUS**

- 4. Application fees:** Notwithstanding anything contained in the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2008, the applicant, while submitting the information under these regulations, shall not be required to pay application fees to the Commission.
- 5. Display of information:** The information received in the formats from the generating companies and transmission licensees shall be posted on the website of the Commission.
- 6. Power to relax:** The Commission may, for reasons to be recorded in writing, relax any of the provisions of these regulations on its own motion or on an application made before it by any interested person.

**Sd/-**  
**(ALOK KUMAR)**  
**Secretary**

**NOTE:** The Central Electricity Regulatory Commission (Procedures for calculating the expected revenue from tariffs and charges) Regulations, 2010 were published in Part III, Section 4, No. 96 of the Gazette of India (Extraordinary) dated 16.04.2010.

**APPENDIX-I (from page 6 to 16)**

**Form No. 1: Thermal**

**Name of Utility:**

**(A) Name of Plant:**

**Stage:**

S. No	Particulars	Unit	Previous Year	Current Year (Apr-Sep)	Current Year (Oct-Mar)	Ensuing Year
1a	Actual/Expected Availability	%				
1b	Actual/Expected Auxiliary Energy Consumption	%				
2a	Actual/Expected recovery of Capacity Charge including incentive	Rs Cr				
2b	Actual/Expected recovery of Return on Equity	Rs Cr				
2c	Actual/Expected recovery of Incentive	Rs Cr				
3	Actual/Expected Scheduled generation	MU				
4	Actual/Expected energy rate from Coal/Lignite/APM gas/R-LNG/Liquid fuel as applicable	Paise/kWh				
5a	Actual/Expected recovery of Energy Charges	Rs Cr				
5b	Actual/Expected Fuel Price considered	Rs/...				
6a	Actual UI generation	MU				
6b	Actual UI rate	Paise/kWh				
6c	Actual revenue from UI	Rs Cr				

**(B) Name of Plant:****Stage:**

S. No	Particulars	Unit	Previous Year	Current Year (Apr-Sep)	Current Year (Oct-Mar)	Ensuing Year
1a	Actual/Expected Availability	%				
1b	Actual/Expected Auxiliary Energy Consumption	%				
2a	Actual/Expected recovery of Capacity Charge including incentive	Rs Cr				
2b	Actual/Expected recovery of Return on Equity	Rs Cr				
2c	Actual/Expected recovery of Incentive	Rs Cr				
3	Actual/Expected Scheduled generation	MU				
4	Actual/Expected energy rate from Coal/Lignite/APM gas/R-LNG/Liquid fuel as applicable	Paise/kWh				
5a	Actual/Expected recovery of Energy Charges	Rs Cr				
5b	Actual/Expected Fuel Price considered	Rs/...				
6a	Actual UI generation	MU				
6b	Actual UI rate	Paise/kWh				
6c	Actual revenue from UI	Rs Cr				

(...)

(...)**Total**

			2009-10	2010-11	2011-12	2012-13	2013-14
1a	Actual/Expected Availability	%					
1b	Actual/Expected Auxiliary Energy Consumption	%					
2a	Actual/Expected recovery of Capacity Charge including incentive	Rs Cr					
2b	Actual/Expected recovery of Return on Equity	Rs Cr					
2c	Actual/Expected recovery of Incentive	Rs Cr					
3	Actual/Expected Scheduled generation	MU					
4	Actual/Expected energy rate from Coal/Lignite/APM gas/R-LNG/Liquid fuel as applicable	Paise/kWh					
5a	Actual/Expected recovery of Energy Charges	Rs Cr					
5b	Actual/Expected Fuel Price considered	Rs/...					
6a	Actual UI generation	MU					
6b	Actual UI rate	Paise/kWh					
6c	Actual revenue from UI	Rs Cr					

Instructions for the Utility:

- 1) Electronic copy in the form of CD/ Floppy Disc shall also be furnished.
- 2) These formats are indicative in nature and the utility may align the line items to its chart of accounts.
- 3) Generating Company shall furnish the detailed justification for the estimation of expected availability, scheduled generation, average energy charge rate, expected UI volume and UI rate.
- 4) The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and / or secondary research, to enable the Commission to assess the reasonableness of the forecast.
- 5) Information furnished for the previous year and April to September of the current year shall be on actual basis and for ensuing year and October to March of the current year shall be on estimated basis.
- 6) The responsibility of the auditor certifying the provisional/estimated information shall be to the extent of validation of arithmetical accuracy and the assumptions considered for estimation.



**Form No. 2: Hydro****Name of Utility:****(A) Name of Plant:****Stage:**

S. No	Particulars	Unit	Previous Year	Current Year (Apr-Sep)	Current Year (Oct-Mar)	Ensuing Year
1a	Actual/Expected Availability	%				
1b	Actual/Expected Auxiliary Energy Consumption	%				
2a	Actual/Expected recovery of Capacity Charge including incentive	Rs Cr				
2b	Actual/Expected recovery of Return on Equity	Rs Cr				
2c	Actual/Expected recovery of Incentive	Rs Cr				
3	Actual/Expected Scheduled generation	MU				
4	Actual/Expected energy rate	Paise/kWh				
5	Actual/Expected recovery of Energy Charges	Rs Cr				
6a	Actual UI generation	MU				
6b	Actual UI rate	Paise/kWh				
6c	Actual revenue from UI	Rs Cr				

**B. Name of Plant:**

**Stage:**

S. No	Particulars	Unit	Previous Year	Current Year (Apr-Sep)	Current Year (Oct-Mar)	Ensuing Year
1a	Actual/Expected Availability	%				
1b	Actual/Expected Auxiliary Energy Consumption	%				
2a	Actual/Expected recovery of Capacity Charge including incentive	Rs Cr				
2b	Actual/Expected recovery of Return on Equity	Rs Cr				
2c	Actual/Expected recovery of Incentive	Rs Cr				
3	Actual/Expected Scheduled generation	MU				
4	Actual/Expected energy rate	Paise/kWh				
5	Actual/Expected recovery of Energy Charges	Rs Cr				
6a	Actual UI generation	MU				
6b	Actual UI rate	Paise/kWh				
6c	Actual revenue from UI	Rs Cr				

(.....) **Total**

(.....)

S. No	Particulars	Unit	Previous Year	Current Year (Apr-Sep)	Current Year (Oct-Mar)	Ensuing Year
1a	Actual/Expected Availability	%				
1b	Actual/Expected Auxiliary Energy Consumption	%				
2a	Actual/Expected recovery of Capacity Charge including incentive	Rs Cr				
2b	Actual/Expected recovery of Return on Equity	Rs Cr				
2c	Actual/Expected recovery of Incentive	Rs Cr				
3	Actual/Expected Scheduled generation	MU				
4	Actual/Expected energy rate	Paise/kWh				
5	Actual/Expected recovery of Energy Charges	Rs Cr				
6a	Actual UI generation	MU				
6b	Actual UI rate	Paise/kWh				
6c	Actual revenue from UI	Rs Cr				

**Instructions for the Utility:**

- 1) Electronic copy in the form of CD/ Floppy Disc shall also be furnished.
- 2) These formats are indicative in nature and the utility may align the line items to its chart of accounts.
- 3) Generating Company shall furnish the detailed justification for the estimation of expected availability, scheduled generation, average energy charge rate, expected UI volume and UI rate.
- 4) The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and / or secondary research, to enable the Commission to assess the reasonableness of the forecast.
- 5) Information furnished for the previous year and April to September of the current year shall be on actual basis and for ensuing year and October to March of the current year shall be on estimated basis.
- 6) The responsibility of the auditor certifying the provisional/estimated information shall be to the extent of validation of arithmetical accuracy and the assumptions considered for estimation.

**Form No. 3: Transmission**

Name of Utility:

(A) Name of Plant:

Stage:

**Revenue from Actual Tariffs & Other Charges in Previous Year**

Sl. No.	Particulars	DOCO	Actual Availability	Auxiliary Energy Consumption	Actual recovery of Capacity Charge including incentive	Actual recovery of Return on Equity	Actual recovery of Incentive	Actual revenue of Open Access charges	Actual revenue from other sources e.g. Tele-communication
	Unit		%	%	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs Cr
A	REGION								
1	Asset1								
2	Asset2								
3	Asset3								
4	Asset4								
5	...								
	SUB TOTAL(A)								
B	REGION								
	...								
	TOTAL (A+B+C+...)								



Revenue from Actual Tariffs & Other Charges in Current Year (Apr-Sep)									
Sl. No.	Particulars	DOCO	Actual Availability	Auxiliary Energy Consumption	Actual recovery of Capacity Charge including incentive	Actual recovery of Return on Equity	Actual recovery of Incentive	Actual revenue of Open Access charges	Actual revenue from other sources
	Unit		%	%	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs Cr
A	REGION								
1	Asset1								
2	Asset2								
3	Asset3								
4	Asset4								
5	...								
	SUB TOTAL(A)								
B	REGION								
	...								
	TOTAL (A+B+C+...)								



Revenue from Proposed Tariffs & Other Charges in Ensuing Year									
Sl. No.	Particulars	DOCO	Expected Availability	Auxiliary Energy Consumption	Expected recovery of Capacity Charge including incentive	Expected recovery of Return on Equity	Expected recovery of Incentive	Expected revenue of Open Access charges	Expected revenue from other sources
	Unit		%	%	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs Cr
A	REGION								
1	Asset1								
2	Asset2								
3	Asset3								
4	Asset4								
5	....								
	SUB TOTAL(A)								
B	REGION								
...									
	TOTAL (A+B+C+...)								

Instructions for the Utility:

- 1) Electronic copy in the form of CD/ Floppy Disc shall also be furnished
- 2) These formats are indicative in nature and the utility may align the line items to its chart of accounts
- 3) Transmission licensee shall furnish the detailed justification for the estimation of expected availability, expected Open access charges and expected revenue from other sources i.e. Telecommunication.
- 4) The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and / or secondary research, to enable the Commission to assess the reasonableness of the forecast.
- 5) Information furnished for the previous year and April to September of the current year shall be on actual basis and for ensuing year and October to March of the current year shall be on estimated basis.
- 6) The responsibility of the auditor certifying the provisional/estimated information shall be to the extent of validation of arithmetical accuracy and the assumptions considered for estimation.