



Tamil Nadu Electricity Regulatory Commission

No 19A, Rukmini Lakshmiipathy Salai, Egmore, Chennai - 600 008.

Phone:044-28411376, Website:<http://www.tnerc.tn.nic.in/>

Public Notice

1. The Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO) has last year filed its application before the Commission for final true-up and approval of Aggregate Revenue Requirement (ARR) for the year 2010-11, provisional true-up and approval of ARR for the year 2011-12, Annual Performance Review (APR) for the year 2012-13 based on estimates and its Multi Year Tariff petition for 2013-14 to 2015-16 along with tariff revision for 2013-14. Based on this petition and after considering views of the State Advisory Committee, the public and other stakeholders, Tamil Nadu Electricity Regulatory Commission has passed the Order in which the Aggregate Revenue Requirement and transmission tariff for the 2nd Control Period i.e. 2013-14 to 2015-16 was determined.
2. As per provisions of Section 64 of the Electricity Act 2003, it is incumbent upon the Licensee to make an application to the State Regulatory Commission for determination of tariff in such manner as may be determined by Regulations framed by the Commission. Regulation 5 of the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005 lays down that licensee is required to file tariff application on or before 30th November each year, with the Commission. Accordingly TANTRANSCO was expected to file a petition for the final true up and approval of ARR for 2011-12, provisional true up for 2012-13, APR for 2013-14 and ARR and Tariff petition for 2014-15 by 30th November 2013. However TANTRANSCO failed to file the petition before the said deadline.
3. Hon'ble APTEL vide its judgement dated 11th November, 2011 in the matter OP No. 1 of 2011, has directed the State Commissions that

“In the event of delay in filing of the ARR, trueing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suo-motu proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.”
4. TNERC Tariff Regulations 2005 under Regulation 6 stipulates that

“(8) In case the licensee does not initiate tariff filings in time, the Commission shall initiate tariff determination and regulatory scrutiny on suo motu basis.”
5. Considering the directives of the Hon'ble APTEL, the National Tariff Policy and in exercise of the powers vested in it under the Section 62 and Section 64 of the Electricity Act, 2003 (Act) and the Tariff Regulations 2005, TNERC has decided to take up the

matter of Determination of ARR and Tariff for 2014-15 by initiating suo-motu proceedings.

6. Under such circumstances TNERC has decided to proceed on suo-motu determination of ARR and Tariff for FY 2014-15 on the basis of information available from TANTRANSCO's submissions to the Commission. With the available information with the Commission, the following decisions have been taken by the Commission:
 - a. The 2011-12 and 2012-13 expenses will be provisionally trued up based on the audited accounts.
 - b. The APR for 2013-14 and ARR for FY 2014-15 will be taken up based on available information and audited accounts for FY 2011-12 and 2012-13.
7. Hence, notice is hereby given to all that TNERC now has decided to proceed on suo-motu basis on the provisional true up for 2011-12 and 2012-13, APR for 2013-14 and ARR and Tariff determination for 2014-15.
8. Based on the information available, Commission has provisionally determined Aggregate Revenue Requirement of Rs. 2,467.13 Cr for 2014-15. Componentwise details of the ARR have been tabulated below.

Table 1: Componentwise ARR for 2014-15 - (Rs. in Crores)

Particulars	Approved in June 2013 Tariff Order	Provisionally determined by the Commission
Depreciation	435.17	537.66
Interest on Loan Capital	1,434.32	831.08
Return on Equity	426.05	347.83
R&M Expenses	8.76	8.91
Employee Expenses	668.49	709.29
A&G Expenses	16.30	16.57
Interest on Working Capital	103.63	83.33
Other Debits	0.52	0.52
Incentives	46.92	38.30
Insurance	79.01	-
Gross ARR	3,219.18	2,573.50
Less: Other Income and revenue from STOA	106.36	106.36
Net ARR	3,112.82	2,467.13

9. The Commission has determined the transmission charges considering the Allotted Transmission Capacity data submitted by TANTRANSCO for FY 2014-15 adjusted for date of commissioning of new plants. The allotted transmission capacity is 22,558 MW and the same is used while determining the transmission charges for 2014-15.
10. Commission has estimated the provisional tariff applicable in FY 2014-15 considering the ARR determined for FY 2014-15 and revenue surplus/ gap till FY 2014. The transmission charges are tabulated below:

Description	Formula	2014-15
Long term Open Access Charges (Rs./MW/day)	A	3,135.58
Transmission charges payable by Intra-State short-term OA customer and Inter-State OA customers using Intra-State network (in Rs / MW/hr)	$B=(A* 100 \% / 24)$	130.65

11. Status quo in respect of Scheduling and System Operation Charges and Reactive Energy Charges i.e. Rs.2000/day or part of day and 12.00 paise/kVArh for FY 2014-15 escalated at 0.5 paise/kVArh annually in subsequent years.
12. The summary of the ARR and applicable transmission charges for 2014-15 is available on the website of Commission www.tnerc.tn.nic.in. Any person who intends to file objections / suggestions on the above ARR determination, may file so with the Secretary, Tamil Nadu Electricity Regulatory Commission (TNERC), 19-A, Rukmini Lakshmiipathy Salai, Egmore, Chennai 600 008 in person or through post so as to reach by **23-10-2014**.
13. The objections/suggestions should be filed with the Hon'ble Commission in three copies and should carry full name and postal address of the person sending the objection. If the objections/suggestions are filed on behalf of an organisation / association / category of consumers etc., it should be so mentioned. The person intending to file objections/suggestions should also mention if they want to be heard in person. TNERC, after perusing the objections/suggestions received to this notice may invite such persons / organisations as it considers appropriate for the public hearing on the dates to be notified by the Commission.

Secretary
Tamil Nadu Electricity
Regulatory Commission