

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
(Constituted under Section 82 (1) of the Electricity Act, 2003
Central Act 36 of 2003)

PRESENT :-

Thiru.S.Kabilan	...	Chairman
Thiru.K.Venugopal	Member
	and	
Thiru.S.Nagalsamy	Member

I.A. No. 1 of 2011
in
P.P.A.P. No. 5 of 2011

Tamil Nadu Generation and Distribution Corporation Ltd
144, Anna Salai,
Chennai – 600 002

.... Petitioner
(Thiru. P.H. Vinod Pandian,
Advocate for the Petitioner)

Vs

Nil

Date of hearing : 4-10-2011

Date of Order : 4-10-2011

The TANGEDCO has filed the present I.A. No. 1 of 2011 in PPAP No. 5 of 2011 with the prayer to fix the maximum ceiling of tariff for purchase of electricity in pursuance of agreements between generating companies located in Tamil Nadu totaling a quantity of 600 MW for the period from October 2011 to June 2012 under Section 62 and Section 86 (1) (b) of the Electricity Act, 2003 due to shortage of power prevailing in the State of Tamil Nadu.

2. The TANGEDCO has floated tenders for a quantum of 1601 MW for October 2011, 1373 MW for November 2011, 1653 MW for December 2011, 1661 MW for January 2012, 1646 MW for February 2012, 1635 MW for March 2012, 1069 MW for April 2012, 1438 MW for May 2012 and 669 MW for June 2012.

3. During the hearing it was submitted that for the month of October the rate finalised by the TANGEDCO ranged from Rs.3.96 per unit to Rs.4.23 per unit in tender No.10 of 2011, 11 of 2011 and 13 of 2011 and Rs.3.97 and Rs.5.05 in tender No.14 of 2011. The highest price finalised by TANGEDCO for October 2011 is Rs.5.05 per unit.

a) For the month of November 2011 the rate in tender No.10 of 2011 is Rs.4.07 per unit and in tender No.13 of 2011 it is Rs.4.23 per unit. In tender No.14 of 2011 the rate is Rs.3.97 per unit and Rs.5.05 per unit.

b) For the month of December 2011 the rate finalised by the TANGEDCO in tender No.10 of 2011 is Rs.4.07 per unit, in tender No.13 of 2011 the rate is Rs.4.23 per unit, tender No.11 of 2011 the rate is Rs.4.20 per unit and in tender No.14 of 2011 the rate is Rs.3.97 per unit and Rs.5.05 per unit.

c) For the month of January 2012 the rate in tender No.10 of 2011 is Rs.4.11 per unit, in tender No.11 of 2011 the rate is Rs.4.20 per unit, in tender No.13 of

2011 the rate is Rs.4.23 per unit and in tender No.14 of 2011 the rate is Rs.4.12 per unit and Rs.5.05 per unit.

d) For the month of February 2012 the rate in tender No.10 of 2011 is Rs.4.11 per unit, in tender No.11 of 2011 the rate is Rs.4.20 per unit, in tender No.13 of 2011 the rate is Rs.4.80 per unit and in tender No.14 of 2011 the rate is Rs.5.05 per unit.

e) For the month of March 2012 the rate is Rs.4.30 per unit in tender No.10 of 2011, Rs.4.20 per unit in tender No.11 of 2011 and Rs.4.80 per unit in tender No.13 of 2011 and Rs.5.05 per unit in tender No.14 of 2011.

f) For the month of April 2012 the rate is Rs.4.20 per unit in tender No.11 of 2011, Rs.4.80 in tender No.13 of 2011 and Rs.5.05 per unit in tender No.14 of 2011.

g) For the month of May 2012 the rate is Rs.4.20 per unit in tender No.11 of 2011, Rs.4.80 per unit in tender No.13 of 2011 and Rs.5.05 per unit in tender No.14 of 2011.

h) For the month of June 2012 the rate is Rs.4.40 per unit in tender No.13 of 2011 and Rs.4.62 per unit and Rs.5.05 per unit in tender No.14 of 2011.

4. After perusing the I.A. and after hearing the Counsel for the Petitioner, the Chief Engineer (PP), TANGEDCO and the Director (Transmission) of TANTRANSCO, the Commission passes the following

ORDER

5. The TANGEDCO has impleaded in the present I.A. No.1 of 2011 M/s.Ind-Barath Power Gencom Limited, M/s.OPG Power Generation Private Limited and M/s. Madras Aluminium Co.Limited as Respondents. These are not necessary parties in the present petition and therefore they should be deleted by the TANGEDCO.

6. Section 62 (1) of the Electricity Act, 2003 provides as follows:-

“62. Determination of Tariff-(1) The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for-

(a) Supply of electricity by a generating company to a distribution licensee:

Provided that Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

(b) transmission of electricity;

(c) wheeling of electricity;

(d) retail sale of electricity:

Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.”

7. It is abundantly clear from this Section that it is the Commission which would fix the maximum ceiling of tariff for purchase of electricity by the licensee for a period not exceeding one year. The sale of electricity referred to in this proviso is for sale by the licensee.

8. The Commission has perused the details of the tenders provided in the petition and the rates mentioned in the petition for the period from October 2011 to June 2012. The Commission fixes a ceiling of Rs.5.05 per unit for purchase by the licensee during this period from October 2011 to June 2012.

9. The TANGEDCO has finalised the tenders No.8, 10, 11 and 13 on their own, which is a violation of the Electricity Act 2003. It is made clear that henceforth the licensee shall not finalise tender rate for short term purchase for less than a year without the approval of the Commission. The Commission may be given adequate time to finalise such rates. The agreement with the licensee will be for purchase of power at the quoted rate and the quantum of power or the ceiling rate indicated by the Commission whichever is lower.

10. The Electricity Act, 2003 empowers the Commission to fix ceiling rate for a period of one year in times of shortage of electricity. The TANGEDCO has floated tenders for period from June 2011 to June 2012. This would exceed the statutory period of one year. Therefore, the TANGEDCO is directed to finalise

the agreements for purchase of power only upto May 2012 and invite fresh bids for the period from June 2012 onwards.

Appeal:-

11. An appeal under section 111 of the Electricity Act, 2003 against this order shall lie to the Appellate Tribunal for electricity within a period of 45 days.

Sd/....
(S. Nagalsamy)
Member

Sd/.....
(K.Venugopal)
Member

Sd/.....
(S.Kabilan)
Chairman

// True Copy //

Sd/....
Secretary
Tamil Nadu Electricity
Regulatory Commission

