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Part VI—Section 2

(Supplement)

NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION, CHENNAI.

**Power Procurement from New and Renewable Sources of Energy Regulations, 2008
(As amended up to 31-12-2010)**

Notification No. TNERC/NCES Regn./16/9, Dated 18-03-2011

[Lr. No. TNERC/AD(L)/F. Notification/D393/2011.]

No.VI(2)/233/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:—

- (1) Power Procurement from New and Renewable Sources of Energy Regulations 2008 (Notification No.TNERC/NCES Regn./16/1, Dated 08-02-2008)
- (2) Power Procurement from New and Renewable Sources of Energy (First Amendment) Regulations 2008 (Notification No.TNERC/NCES Regn./16/2, Dated 01-12-2008)
- (3) Power Procurement from New and Renewable Sources of Energy (Second Amendment) Regulations 2008 (Notification No.TNERC/NCES Regn./16/3, Dated 24-12-2008)
- (4) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2009 (Notification No.TNERC/NCES Regn./16/4, Dated 27-04-2009)
- (5) Power Procurement from New and Renewable Sources of Energy (Second Amendment) Regulations 2009 (Notification No.TNERC/NCES Regn./16/5, Dated 08-06-2009)
- (6) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2009 (Notification No.TNERC/NCES Regn./16/6, Dated 14-12-2009)
- (7) Power Procurement from New and Renewable Sources of Energy Regulations 2008 (as amended upto 31-12-2009) (Notification No.TNERC/NCES Regn./16/7, Dated 07-01-2010)
- (8) Power Procurement from New and Renewable Sources of Energy (Amendment) Regulations 2010 (Notification No.TNERC/NCES Regn./16/8, Dated 20-07-2010)

AND WHEREAS, the Commission considers it necessary that the above Regulations with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the public, to enable them to have a better understanding of the said Regulation along with the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Power Procurement from New and Renewable Sources of Energy Regulations 2008 as amended up to 31-12-2010 in the ensuing Part VI- Section 2 of the *Tamil Nadu Government Gazette*.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Power Procurement from New and Renewable Sources of Energy Regulations 2008

Notification No. TNERC/NCES Regn./16/1, Dated 8-2-2008

No.VI(2)/234/2011.—

WHEREAS under Section 61 of the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify the terms and conditions for the determination of tariff;

AND WHEREAS the regulations providing for the terms and conditions for determination of tariff shall be subject to previous publication and accordingly undergone previous publication.

NOW, THEREFORE, in exercise of the powers conferred under Section 61(h) read with section 86(1)(e) and Section 181 of the said Electricity Act, 2003, and all other powers enabling it in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations.

1. Short title and commencement, applicability and extent

(1) These Regulations may be called "The Power Procurement from New and Renewable Sources of Energy Regulations, 2008."

(2) These regulations shall be deemed to have come into force on the 15th May 2006, the date on which the Commission's order No: 3 dated the 15th May 2006 had been issued.

(3) These regulations shall apply to all new and renewable source based generating plants including co-generation plants located within the State of Tamil Nadu for which power purchase agreements/contracts were **signed on or after** the 15th May 2006. The contracts and agreements between new and renewable sources based generators and the distribution licensees signed prior to the 15th May 2006 would continue to remain in force. However, the generators and the distribution licensees shall have the option to mutually re-negotiate the agreements/contracts signed prior to the 15th May 2006 in line with these regulations even before the expiry of the agreements/contracts. When the generator/distribution licensee opts to come under the new agreement/contract for availing the benefit, the generator/distribution licensee shall accept the option and shall execute revised agreement within thirty days from the date of such option. Any renewal of the said contracts/agreements, new contracts/agreements shall be in line with these regulations.

(4) They shall extend to the whole of State of Tamil Nadu.

2. Definitions

(1) In these Regulations unless the context otherwise requires,—

(a) "**Act**" means the Electricity Act, 2003 (Central Act of 36 of 2003)

(b) "**Cogeneration**" means a process, which simultaneously produces two or more forms of useful energy (including Electricity)

(c) "**Commission**" means the Tamil Nadu Electricity Regulatory Commission;

(d) "**Government**" means the Government of Tamil Nadu;

(e) "**Firm Power**" means injecting of atleast 700 units in to the grid by the generator per hour per scheduled MW. [This calculation is based on a normative load factor of 70% (i.e. 1000 kWh x 70% Load Factor = 700 units per hour)];

(f) "**Infirm Power**" means the energy supplied that is not firm power, which is interruptible on a very short notice;

¹[(f1) "**Inter connection point**" means the interface point of renewable energy generating facility with the transmission system or distribution system, as the case may be:

(a) in relation to wind energy projects and solar photovoltaic projects, inter connection point shall be line isolator on outgoing feeder on HV side of the pooling sub station;

¹Inserted as per Commission's Notification No. **TNERC/NCES Regn./16/6 dated 14-12-2009 (w.e.f. 30-12-2009)**

(b) in relation to small hydro power, biomass power and non fossil fuel based cogeneration power projects and Solar Thermal Power Projects, the inter connection point shall be line isolator on outgoing feeder on HV side of generator transformer;

(f2) **“Interface line”** means the electric line between the interconnection point and the nearest point at which the electric line could technically be connected to the existing grid or distribution system;]

(g) **“New and renewable sources”** means the non-conventional, renewable electricity generating sources such as mini/micro hydel, wind, solar, biomass, bagasse based cogeneration, urban/municipal waste, or other such sources as approved by the Government of India or Government of Tamil Nadu ¹[or Commission] which are generally inexhaustible and can be replenished in a short period of time;

Words or expressions occurring in these Regulations and not defined herein but defined in other Regulations published by the Commission or in the Act shall bear the same meanings respectively assigned to them in the Act / Regulations.

3. Promotion of new and renewable sources of energy

(1) The minimum percentage of electrical energy which each distribution licensee shall purchase from new and renewable sources generators shall be as stipulated in the Commission’s order issued from time to time, subject to the availability of such power. The distribution licensee shall furnish the quantum of purchase of energy from new and renewable sources and cogeneration for the ensuing year in the Annual Revenue Requirement (ARR) filing.

(2) A maximum of **25% of conventional fuel** only is permitted to be used out of the total fuel used in a year, for start-up, stabilization and extended operational days in a year by the bagasse/biomass based generating plants.

(3) Evacuation facilities shall be provided by the State Transmission Utility (STU) /Distribution licensee as per the Commission’s **Intra State Open Access Regulations 2005**, Central Electricity Authority (Technical Standards for connectivity to the Grid) Regulations, 2007 and Tamil Nadu Electricity Grid Code. The cost of interfacing lines, switch gear, metering, protection arrangement and related other equipments up to the interconnection point shall have to be borne by the generators, but the work shall be executed by STU/distribution licensee.

²[Provided that, in the case of sale of entire power to the distribution licensee by any new and renewable source based generator, the cost of interfacing lines up to the interconnection point shall have to be borne only by the STU/ distribution licensee.

Provided further that in case where the new and renewable source based generator referred to in the first proviso who has entered into an EPA with the distribution licensee referred to therein for the sale of entire power to the said distribution licensee decides to use such power agreed to be sold to the said distribution licensee, for his captive use or for sale of such power to a third person or to a distribution licensee other than the distribution licensee referred to above before the expiry of the period referred to in such EPA, then he shall be bound to reimburse the ³[depreciated (Written down value) cost of interfacing lines] to the distribution licensee with whom he has executed such EPA, before the wheeling of power to his captive use or sale to third person or distribution licensee other than the distribution licensee with whom the said EPA has been executed by him.]

(4) The Commission may consider appropriate banking mechanism for generation of power from a particular kind of renewable source depending upon the inherent characteristics of such source.

⁴[(5) The Commission may specify appropriate procedure for payment to the generators by the distribution licensee and payment to the distribution licensee by the captive / third party user.]

4. Determination of tariff

(1) The Commission shall follow the process mentioned below for the determination of tariff for the power from new and renewable sources based generators, namely:—

(a) initiating the process of fixing the tariff either suo motu or on an application filed by the distribution licensee or by the generator.

(b) inviting public response on the suo motu proceedings or on the application filed by the distribution licensee or by the generator.

¹Inserted as per Commission’s Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27.4.2009)**

²Added as per Commission’s Notification No. **TNERC/NCES Regn./16/2, dated 01.12.2008 (w.e.f. 17.12.2008)**

³Substituted for the expression **“entire cost of interfacing lines”** as per Commission’s Notification No. **TNERC/NCES Regn./16/5, dated 08.06.2009 (w.e.f. 08.07.2009)**

⁴Substituted as per Commission’s Notification No. **TNERC/NCES Regn./16/4 dated 27.04.2009 (w.e.f. 27.04.2009)** which before substitution stood as under:

“The Licensee shall provide adequate payment security mechanism to the generators for purchase of power”

(c) ¹[**]

(d) issuing general / specific tariff order for purchase of power from new and renewable sources based generators.

(2) While deciding the tariff for power purchase by distribution licensee from new and renewable sources based generators, the Commission shall, as far as possible, be guided by the principles and methodologies specified by:

- (a) Central Electricity Regulatory Commission
- (b) National Electricity Policy
- (c) Tariff Policy issued by the Government of India
- (d) Rural Electrification Policy
- (e) Forum of Regulators (FOR)
- (f) Central and State Governments

(3) The Commission shall, by a general or specific order, determine the tariff for the purchase of power from each kind of new and renewable sources based generators by the distribution licensee. In case of small hydro projects with a capacity of more than **5 MW but not exceeding 25 MW capacities**, Commission decide the tariff on case to case basis.

Provided where the tariff has been determined by following transparent process of bidding in accordance with the guidelines issued by the Central Government, as provided under section 63 of the Act, the Commission shall adopt such tariff.

(4) While determining the tariff, the Commission may, to the extent possible consider to permit an allowance / disincentive based on technology, fuel, market risk, environmental benefits and social impact etc., of each type of new and renewable source.

(5) While determining the tariff, the Commission shall adopt appropriate financial and operational parameters.

(6) While determining the tariff the Commission may adopt ²[appropriate tariff methodology].

5. Charges for adjustment of wheeled energy

The Commission may levy appropriate charges for adjustment of wheeled energy based on the load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area of generation/supply, the nature of supply and the purpose for which the supply is adjusted.

6. Agreement and Control period

³[The tariff as determined by the Commission by a general or specific order for the purchase of power from each type of renewable source by the distribution licensee as referred to in clause 4(3) shall remain in force for such period as specified by the Commission in such tariff orders.] The control period ⁴[may ordinarily be two years]. When the Commission revisits the tariff and allied issues, the revision shall be applicable only to the generator of new and renewable energy sources commissioned after the date of such revised order.

¹Omitted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27.04.2009)** which before omission stood as under:

“conducting public hearing on the above”

²Substituted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27.04.2009)** which before substitution stood as under:

“cost plus single part average tariff which can be reviewed later”

³Substituted for the expression **“The tariff determined by the commission in the tariff order shall be applicable for the power purchase agreement period of twenty years.”** as per Commission's Notification No. **TNERC/NCES Regn./16/8, dated 20-07-2010 (w.e.f.11-8-2010)**

⁴Substituted for the expression **“may be three years”** as per Commission's Notification No. **TNERC/NCES Regn./16/3, dated 24-12-2008 (w.e.f. 18-02-2009)**

7. Energy Purchase Agreement (EPA) and Energy Wheeling Agreement (EWA)

¹[The format of the Energy Purchase Agreement (EPA) and Energy Wheeling Agreement (EWA) shall be evolved by the Commission after discussion with the generators and the distribution licensee]. Before 10th of succeeding month, the licensee / generator shall furnish the list of ²[Energy Purchase Agreements] executed during the preceding month and pay applicable fees as stipulated in the Tamil Nadu Electricity Regulatory Commission's Fees and Fines Regulations, 2004. The distribution licensees/STU shall sign an Energy Wheeling Agreement taking cognizance of the energy wheeling principles elaborated in the general or special tariff order.

8. Issues related to captive use and third party sale

While issuing the general or specific tariff order, the Commission may consider appropriate criteria/ procedure/parameters/ charges for each type of new and renewable source, on the following issues, for sale of power to distribution licensee, captive use and third party sale of power by the new and renewable source generators.

- (1) Applicable demand charges
- (2) Applicable energy charges
- (3) Grid availability charges
- (4) Scheduling and system operation charges
- (5) Transmission & wheeling charges and line losses
 - ³[5 A) Banking charges]
- (6) Reactive power charges
- (7) Adjustment of peak and off peak power
- (8) Power factor incentive / disincentive
- (9) Payment of security deposit by the captive/third party user
- (10) Billing and payment to the generators by distribution licensee
- (11) Applicable open access registration fee and open access agreement fee
- (12) Any other related issues.

9. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, take action for removing the same consistent with the provisions of the Act.

10. Power to amend

The Commission may, at any time add, modify, delete or amend any of the provisions of these Regulations.

(By the order of the Tamil Nadu Electricity Regulatory Commission)

R.V. RAJAH
Secretary.
Tamil Nadu Electricity
Regulatory Commission.

¹Substituted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27.04.2009 (w.e.f. 27-04-2009)** which before substitution stood as under:

"The distribution licensee shall file a model Energy Purchase Agreement for approval of the Commission within a period to be specified by the Commission"

² *Substituted for the expression "PPAs" as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27-04-2009 (w.e.f. 27-04-2009)***

³ *Inserted as per Commission's Notification No. **TNERC/NCES Regn./16/4, dated 27-04-2009 (w.e.f. 27-4-2009.)***

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Intra State Open Access Regulations 2005

(As amended up to 31-12-2010)

Notification No.TNERC/ISOA/11/1-5, dated 18-03-2011

No.VI(2)/235/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the Tamil Nadu Government Gazette on different dates the following, namely:—

- (1) Intra State Open Access Regulations 2005
(Notification No.TNERC/ISOA/11/1, dated 24.06.2005)
- (2) Intra State Open Access Regulations (First Amendment), 2008
(Notification No.TNERC/ISOA/11/1-1, dated 07.07.2008)
- (3) Intra State Open Access Regulations (Second Amendment), 2008
(Notification No.TNERC/ISOA/11/1-2, dated 11.10.2008)
- (4) Intra State Open Access (Amendment) Regulations 2010
(Notification No.TNERC/ISOA/11/1-3, dated 09.02.2010)
- (5) Intra State Open Access Regulations 2005, (as amended upto 31-12-2009)
(Notification No.TNERC/ISOA/11/1-4, dated 07.01.2010)

AND WHEREAS, the Commission considers it necessary that the above Regulations with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the public, to enable them to have a better understanding of the said Regulation along with the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Intra State Open Access Regulations 2005 as amended up to 31.12.2010 in the ensuing Part VI- Section 2 of the *Tamil Nadu Government Gazette*.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Intra State Open Access Regulations 2005

Notification No. TNERC/ISOA/11/1, Dated 24-06-2005

No.VI(2)/236/2011.—

Preamble

WHEREAS under the Electricity Act 2003 (Central Act 36 of 2003), the State Electricity Regulatory Commission shall specify the terms and conditions for intra state open access within the State of Tamil Nadu;

AND WHEREAS these regulations providing for the terms and conditions of open access shall be subject to previous publication and accordingly undergone previous publication;

NOW THEREFORE, under Section 181 of the said Electricity Act 2003 and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations, namely:—

1. Short Title and Commencement

(i) These regulations may be called the “Tamil Nadu Electricity Regulatory Commission - Intra State Open Access Regulations 2005”;

(ii) These regulations shall come into force on the date of publication in the *Tamil Nadu Government Gazette*.

2. Definitions

In these regulations, unless the context otherwise requires –

(a) “Act” means the Electricity Act, 2003 (36 of 2003);

(b) “Allotted Transmission Capacity” means the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a long-term customer on the intra-state transmission system and the expression “allotment of transmission capacity” shall be construed accordingly;

(c) “Commission” means the Tamil Nadu Electricity Regulatory Commission;

(d) The word ‘ consumer’ in this regulation shall carry the same meaning as in the Act, but shall be restricted to such consumers within the State of Tamil Nadu to whom these regulations will apply.

(e) “Direct customer” means a person who is directly connected to the system owned or operated by the State Transmission Utility / Transmission Licensee and / or Distribution Licensee in the State;

(f) "Embedded customer" means a person who is not a direct customer;

(g) "Grid Code" means the Tamil Nadu Electricity Grid Code specified by the Commission and includes the Indian Electricity Grid Code applicable on the date of commencement of these regulations;

(h) "Nodal agency" means the nodal agency defined in regulation 10 of these regulations;

(i) "Open access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any Licensee or consumer or a person engaged in generation in accordance with these regulations;

(j) "Open access customer" means a consumer permitted by the State Commission to receive supply of electricity from a person other than distribution Licensee of his area of supply, or a generating company (including captive generating plant), or a Licensee, who has availed of or intends to avail of open access;

(k) "Reserved Transmission Capacity" means the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a short-term customer on the transmission system depending on availability of transmission capacity and the expression "reservation of transmission capacity" shall be construed accordingly;

(l) "SLDC" means the State Load Dispatch Centre, until, in its present form as an integral unit of the Licensee or established under sub-section (1) of section 31 of the Act;

(m) "STU" (State Transmission Utility) means the Board or the Government company specified as such by the State Government. This is presently the Tamil Nadu Electricity Board;

(n) "Transmission System Segment" means a part or whole of the transmission system from the point of injection to the point of drawal.

(o) "Wheeling" means the operation whereby the distribution system and associated facilities of a transmission Licensee or distribution Licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under Section 62 of the Electricity Act 2003.

Words and expressions used and not defined in these regulations but defined in the Act or the Grid Code, shall have the meaning assigned to them under the Act or the Grid Code, as the case may be.

3. Extent of Application

These regulations shall apply to open access for use of intra-state transmission system and/or distribution systems of Licensees in the State, including when such system is used in conjunction with inter-state transmission system.

4. Eligibility for Open Access and conditions to be satisfied

(1) Subject to the provisions of these regulations, the Licensees, generating companies including persons who have established captive generating plants, generation plants and electricity traders shall be eligible for open access to the intra state transmission system of the State Transmission Utility or any transmission Licensee on payment of transmission and other charges as may be determined by the Commission.

(2) Subject to the provisions of these regulations, the Licensees, generating companies including persons who have established a captive generating plant and consumers shall be eligible for open access to Distribution System of a Distribution Licensee on payment of the wheeling charges as may be determined by the Commission.

(3) A person having been declared insolvent or bankrupt or having outstanding dues against him for more than two months billing of transmission or distribution Licensee at the time of application shall not be eligible for open access.

(4) In the case of a person, to whom open access has already been allowed, is declared insolvent or bankrupt or is having outstanding dues for more than two months billing of transmission or distribution Licensee, he shall not be eligible for open access from the day he is adjudged as insolvent or bankrupt or failed to clear the amount outstanding for more than two months billing.

5. Provisions for existing agreements / contracts for wheeling of power

The persons availing access to the intra state transmission system and / or of the distribution system in the State on the date of coming into force of these regulations under an existing agreement / contract shall be entitled to continue to avail such access to the transmission and distribution system on the same terms and conditions, as stipulated under such existing agreement / contract. Such persons are eligible to avail long term intra state open access under these regulations on expiry of such existing agreement / contract. Such of those persons, shall have to apply to come under the long term open access category at least thirty days prior to the expiry of such existing agreement / contract.

6. Categorization of intra state Open Access Customers

Subject to the provisions of regulation 5 above, the open access customers shall be classified into the following categories:

- (i) Short-term intra state open access customer

An open access customer, availing intra state open access for a period of one year or less shall be short-term intra state open access customer.

- (ii) Long-term intra state Open Access customers

An open access customer availing intra state open access for a period of five years or more shall be long-term intra state open access customer.

Note 1: Open access applications for a period less than five years and more than a year shall be considered under short term open access only and shall be allowed at a time for a period not exceeding one year.

Note 2: A generator of electricity through non conventional energy sources shall be treated as long term intra state open access customer and shall be eligible for open access irrespective of the generating capacity

7. Allotment Priority

The priority for allotment of open access shall be decided on the following criteria:

(a) A distribution Licensee shall have the highest priority in allotment of open access capacity irrespective of whether the open access request is for long term or short term;

(b) Other long-term open access customers shall have the priority next to the Distribution Licensee

(c) The short-term open access customer shall have the priority next to the long term open access customer

(d) Allotment priority for short term open access customer shall be decided subject to capacity availability

(e) An existing open access customer shall have the priority higher than new open access customer under respective category provided he applies for its renewal thirty days prior to the expiry of existing term of open access.

(f) Subject to clauses (a) to (e) above, the decision shall be based on the basis of first come first served;

(g) During capacity availability constraints, the allotment can be made available to the next senior applicant, provided that the first senior is not able to limit his requirement to the available capacity and so on.

8. Computation of capacity availability for open access

(1) The capacity available for the intra state open access shall be computed for each transmission segment and for every sub-station by the STU following the methodology given below:

(a) Available open access capacity of a transmission system segment: = $(DC-SD-AC) + NC$ where, DC = Designed capacity of the transmission segment in MW, SD = Sustained demand in MW recorded in the segment, AC = Already allocated capacity, but not availed and NC = Capacity in MW expected to be added

(b) Available open access capacity of a sub-station: = $TC-SP-AC$ where, TC=Transformer capacity of the sub-station in MVA, SP=Sub-station peak in MVA, and AC=Already allotted capacity but not availed in MVA

The STU shall update these values on monthly basis on the first calendar day of the month and publish it in their website

(2) The appropriate distribution Licensee shall determine the available capacity for the portion of the distribution system over which open access is demanded

9. Charges for open access

The following charges as applicable are payable by the open access customer.

(1) Transmission charge or wheeling charge:

(a) Transmission charges payable to State Transmission Utility / Transmission Licensee and wheeling charges payable to Distribution Licensee, by an open access customer shall be determined by the Commission. Wheeling charges shall be determined on the basis of same principles as laid down for intra state transmission charges.

(b) Where a dedicated transmission system or a distribution system used for open access has been constructed for exclusive use of an open access customer, the transmission charges or wheeling charges for such dedicated system shall be worked out by the Licensee and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used for by other persons or purposes.

(c) In case intra state transmission system or distribution system is used by an open access customer in addition to inter-state transmission system, transmission charges and wheeling charges as fixed and approved by the Commission shall be payable for use of intra-state system in addition to payment of transmission charges for inter-state transmission.

(2) Surcharge:

If open access facility is availed of by a subsidizing consumer of a distribution Licensee of the State or by a direct / embedded customer to supply electricity to subsidizing HT consumer of the distribution Licensee in the State, then such customer, in addition to transmission and / or wheeling charges, shall pay a surcharge worked out in the following manner:

(a) The surcharge would be determined by the Commission, taking into account the tariff applicable to the relevant category of consumers and the cost of the distribution Licensee to supply electricity to the consumers of the applicable class.

(b) The amount of surcharge shall be so calculated as to meet the current level of cross subsidy from that category of consumers and shall be paid to the distribution Licensee of the area of supply from whom the consumer is availing supply.

(c) The surcharge will be reduced and eliminated in the same manner as the Commission may lay down for reduction and elimination of cross subsidies in its roadmap for such reduction and elimination of cross subsidy.

Note : Provided that such surcharge shall not be levied in case transmission access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use.

(3) Additional Surcharge:

(a) An open access customer, receiving supply of electricity from a person other than the distribution Licensee of his area of supply, shall pay to the distribution Licensee an additional surcharge on the charges of wheeling, in addition to wheeling charges and surcharge, to meet out the fixed cost of such distribution Licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act; This additional surcharge shall become applicable only if the obligation of the Licensee in terms of power purchase commitments has been and continues to be stranded.

(b) The distribution Licensee whose consumer intends to avail open access shall submit to the Commission within fifteen days of receipt of application, a detailed calculation statement of fixed cost which the Licensee is incurring towards his obligation to supply;

(c) The Commission shall scrutinize the statement of calculation of fixed cost submitted by the distribution Licensee and obtain objections, if any, from the open access customer and determine the amount of additional surcharge.

(d) The additional surcharge shall be levied for such period as the Commission may determine.

Note : Provided that such additional surcharges shall not be levied in case transmission access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use:

(4) Scheduling and system operation charges:

(a) The scheduling and system operation charges payable to State Load Dispatch Center by open access customer shall be such as determined by the Commission under section 32 of the Act;

(b) The scheduling and system operation charges collected by the State Load Dispatch Center in accordance with clause (1) above shall be in addition to the other fees and charges approved by the Commission under this regulations;

(c) The Scheduling and system operation charges shall be payable even when the open access customer happens to be a generating company or trading Licensee, availing open access under these regulations.

(5) Unscheduled interchange (UI) pricing:

The Commission may, from time to time, as the occasion may require, by separate order, and in accordance with tariff policy issued under section 3 of the Act, determine the unscheduled interchange charges payable by the generators, Licensees and consumers:

Provided that the actual payment of such interchange charges may be deferred by the Commission till such period which may be determined by the Commission having regard to the extent of demand for open access and the extent of involvement of private operators in power generation and distribution.

(6) Reactive Energy Charges :

(a) The payment for the reactive energy charges for the direct customers on account of open access shall be in accordance with the charges to be approved by the Commission from time to time. These charges shall be based on the requirements to be met by the direct customer with regard to reactive power generation / drawal, as stipulated in the State Grid Code / Distribution Code / Supply Code, as the case may be.

(b) The reactive energy charges payable to or receivable by the Licensee (presently the State Electricity Board) or the State Transmission Utility shall be paid to or received from the pool by the Licensee or the State Transmission Utility concerned and shall not be apportioned to the embedded customers.

(c) The reactive energy drawals and injections by the embedded customers shall be governed by these regulations applicable within the State concerned.

(7) Grid availability Charges:

¹[(a) In cases of outages of generator supplying to a consumer on open access or when the scheduled generation is not maintained or when the drawal by the said consumer is in excess of the schedule, standby arrangements should be provided by the distribution licensee. Towards this end, the distribution licensee is entitled to collect tariff for temporary connection to that category of consumer as grid availability charges for back up supply from the grid. As and when the ABT regime is implemented in the State and the UI charges are fixed by the Commission, the grid support charge eligible to the distribution licensee shall be (a) the tariff applicable for the temporary connection to that category of consumer or (b) the applicable UI charges whichever is higher.]

(b) If a generator happens to be an open access customer, partly or fully in third party sale of power and he desires to avail start up power from the Grid, the generator shall be permitted to do so at a charge to be determined by the Commission for the start up power. However if the generator who has availed open access, happens to be a Captive Power Producer / NCES Generator / Independent Power Producer (IPP) and desires to avail start up power from the Grid, the transaction shall be governed by the respective CPP / NCES policy of the Commission or as per the power purchase agreement in the case of IPP approved by the Commission.

(8) Restoration Charges:

Any default in payment of the various charges as specified under the sub-regulations (1) to (7), within the time stipulated by the Commission will automatically result in the discontinuance of the open access to the customer. Restoration of such discontinuance shall be subject to the payment of restoration charges and other restoration conditions to be determined by the Commission separately and from time to time

10. Nodal Agency

(i) The nodal agency for arranging the long-term intra state transmission / distribution access shall be the State Transmission Utility;

(ii) The nodal agency for the short-term intra state transmission /distribution access shall be the State Load Dispatch Centre.

Note: (i) The nodal agency for arranging Long term inter state transmission/ distribution access shall be the Central Transmission Utility (CTU) / Transmission Licensee in whose system the point of drawal is situated.

(ii) The nodal agency for short term inter state transmission / distribution access shall be the Regional Load Dispatch Center (RLDC) where the point of drawal is situated.

¹Substituted as per Commission's Notification No. **TNERC/ISOA/11/1-2, dated 11.10.2008 (w.e.f. 3-8-2005)** which before substitution stood as under:

"In cases of outages of generator supplying to a consumer on open access or when the scheduled generation is not maintained or when the drawal by the said consumer is in excess of the schedule, standby arrangements should be provided by the distribution licensee. Towards this end, the licensee is entitled to collect grid availability charges for back up supply from the grid. For the present, the applicable tariff of that consumer category shall be allowed as the grid support charges. As and when the ABT regime is implemented in the State and the UI charges are fixed by the Commission, the grid support charge eligible to the licensee shall be (a) the tariff applicable to the particular consumer category or (b) the applicable UI charges whichever is higher."

11. Phasing of Open Access

The open Access shall be allowed to the intra state transmission system subject to the satisfaction of the conditions contained in the Act and in these regulations. Having regard to operational constraints and other relevant factors, open access shall be allowed to customers as stated below:

(a) In the first phase, open access shall be allowed to all existing and new HT consumers with a load of 10 MW and above before six months from the date of commencement of these regulations.

(b) In the second phase, open access shall be allowed to all existing HT consumers and new applicants with a load of 5 MW after six months but before eighteen months from the date of commencement of these regulations.

(c) ¹[In the third phase], open access shall be allowed to all existing HT consumers and new applicants with a load of 1 MW and above, after eighteen months but before 30th December 2008.

²[(cc) In the fourth and final phase, open access shall be allowed to all HT consumers irrespective of load.]

(d) In respect of distribution Licensee / trading Licensee, the same phasing as above shall apply.

(e) A person covered by a policy relating to captive generation or generation through non conventional energy sources shall be eligible to avail open access for their own use irrespective of contract demand.

(f) A person covered by a policy relating to captive generation or generation through non conventional energy sources shall be eligible to avail open access in respect of third party sale subject to the above phasing of open access.

12. Procedure for Long-Term Open Access Customer

(a) Application for long-term open access shall be submitted by a Open access customer along with the agreement, commitment letter from the supplier, details of terminal beneficiary etc., to the State Transmission Utility (STU). The application shall contain details such as capacity needed, point of injection, point of drawal, duration of availing open access, peak load, sustained load and such other additional information that may be specified by STU. If the terminal beneficiary happens to be a consumer of a distribution Licensee in the State, an undertaking from such consumer that he will abide by the terms and conditions under these regulations on the payments to be made by him for the various charges covered in these regulations shall be obtained and attached to the application. A customer intending to avail open access shall also submit a copy of his application to the distribution Licensee of the State involved in this open access transaction .

Provided that the nodal agency shall issue necessary guidelines, procedure and application forms within thirty days from the date of commencement of these regulations.

³[(b) The application shall be accompanied by a non-refundable application registration fee

i. of Rs.5000/- (five thousand) in the case where the open access transaction relates to conventional energy sources; and

ii. of Rs.200/- (two hundred) per MW subject to a maximum of Rs.5000/- (five thousand) in the case where the open access transaction relates to non-conventional and renewable sources of energy including co-generation,

payable in the manner to be decided by the STU.]

(c) Based on system studies conducted in consultation with other agencies involved including other transmission and distribution Licensees, the nodal agency shall, within thirty days of receipt of the application, intimate to the applicant whether or not the long-term access can be allowed, without further system strengthening:

(d) Provided that where the long-term access can be allowed, subject to the provisions in these regulations and without further system strengthening, then such long term access shall be allowed immediately after entering into commercial agreements.

(e) If, in the opinion of the nodal agency, further system strengthening is essential before providing the long-term access, the applicant may request the nodal agency to carry out the system studies and preliminary investigation for the purpose of cost estimates and completion schedule for system strengthening; The nodal agency shall carry out the studies immediately on receipt of request from the applicant and intimate results of the studies within ninety days of receipt of request from the applicant. The applicant shall reimburse the actual expenditure incurred by the nodal agency for system strengthening studies.

¹Substituted for the expression "**In the third and final phase**" as per Commission's Notification No. **TNERC/ISOA/11/1-3, dated 09-02-2010 (w.e.f. 17-02-2010).**

²Inserted as per Commission's Notification No. **TNERC/ISOA/11/1-3, dated 09-02-2010 (w.e.f. 17-02-2010).**

³Substituted as per Commission's Notification No. **TNERC/ISOA/11/1-2, dated 11-10-2008 (w.e.f. 3-8-2005)** which before substitution stood as under:

"The application shall be accompanied by a non-refundable application registration fee of rupees five thousand payable in the manner to be decided by the STU"

¹[(f) After the feasibility is established and prior to execution of agreement:—

i. a sum of Rs 50,000 (fifty thousand) in the case where the open access transaction relates to conventional energy sources; and

ii. a sum of Rs.2000/- (two thousand) per MW subject to a maximum of Rs.50,000/- (fifty thousand) in the case where the open access transaction relates to non-conventional and renewable sources of energy including co-generation,

shall be payable to the nodal agency towards the open access agreement fee.]

(g) After agreements have been entered into and copies furnished to State Load Dispatch Centre, the State Load Dispatch Centre shall inform the open access customer the date from which open access will be available. Furnishing this information will not be later than three days from the date of entering into the agreements.

(h) A long-term open access customer shall not relinquish or transfer his rights and obligations specified in the open access agreement, without prior approval of the Commission. The relinquishment or transfer of right and obligations shall be subject to payment of compensation, as may be determined by the Commission.

13. Procedure for Short-Term Open Access Customer

(a) An application for short -term open access shall be submitted by a Open access customer, along with the agreement, commitment letter from the supplier, details of terminal beneficiary, etc., to the State Load Dispatch Center (SLDC). The application shall contain details such as capacity needed, point of injection, point of drawal, duration of availing open access, peak load, sustained load and such other additional information that may be specified by the SLDC. A customer intending to avail open access shall also submit a copy of his application to the distribution Licensee of the area in which the direct/embedded customer is located.

(b) The application shall be accompanied by a non-refundable application registration fee of Rs. 1000/- (one thousand), payable in the manner to be decided by the SLDC;

(c) SLDC shall inform the feasibility for the short term open access to the applicant within fifteen days from the date of receipt of the application.

(d) After the feasibility is established and prior to execution of agreement, a sum of Rs. 10,000 (ten thousand) shall be payable to the SLDC towards the open access agreement fee in the name and in the manner to be decided by the SLDC;

(e) The reserved capacity by a short term open access customer is not transferable to others.

(f) In case a short-term customer is unable to utilize the full or substantial part of the capacity reserved, he shall inform the State Load Dispatch Centre along with reasons for his inability to utilize the reserved capacity and may surrender the reserved capacity.

(g) The State Load Dispatch Centre may reduce or cancel the reserved capacity of a short-term customer when such a short-term customer frequently under-utilizes the reserved capacity;

(h) The short-term customer, who has surrendered the reserved capacity or whose reserved capacity has been reduced or cancelled, shall bear full transmission or distribution charges as the case may be and the scheduling and system operation charges based on original reserved capacity till such time it is not utilized by the utility or allotted to any other open access customer, and limited to the period for which the capacity was reserved;

(i) The capacity available as a result of surrender or reduction or cancellation of the reserved capacity by the State Load Dispatch Centre, may be reserved for any other short-term open access customer in accordance with these regulations.

(j) For the purpose of registration / agreement fee, renewal of short term open access agreements shall be treated in the same way as a new applicant.

14. Curtailment Priority

When, because of constraints or otherwise, it becomes necessary to curtail the open access service of the customers, subject to the requirements of Grid Code, the short-term intra state customers shall be curtailed first, followed by the long-term intrastate customers. The open access to a distribution Licensee shall be the last to be curtailed. SLDC shall frame guidelines for curtailment of intra state open access customers.

¹Substituted as per Commission's Notification No. **TNERC/ISOA/11/1-2, dated 11-10-2008 (w.e.f. 3-8-2005)** which before substitution stood as under:

“After the feasibility is established and prior to execution of agreement, a sum of Rs. 50,000 (fifty thousand) shall be payable to the nodal agency towards the open access agreement fee.”

15. Metering

(1) The open access customer shall provide metering arrangements in accordance with the Central Electricity Authority's "Regulations on Installation and Operation of meters" and based on period of supply and tariff category.

(2) The Generating company or a Licensee contracting to effect supply to an open access customer shall provide Main Meters at interconnecting points based on the customers to whom it will effect supply under open access or in case of inter state transmission, it shall arrange communication of energy accounts of respective Regional Load Dispatch Centers, effected through displacement/adjustment in the format as may be specified by State Load Dispatch Centre on real time basis as well as periodically;

(3) The Distribution Licensee may provide Check Meters of the same specification as Main Meters;

(4) The Main and Check Meters shall be periodically tested and calibrated by State Transmission Utility in the presence of other party involved. Both parties shall seal Main and Check meters. Defective meter shall be replaced immediately. The periodicity of testing, checking, calibration, etc., will be governed by the regulations issued by the Central Electricity Authority in this regard.

(5) Reading of Main and Check meters shall be taken periodically at appointed day and hour by authorized officer of distribution Licensee and customer or his representative, if present. Meter reading shall be immediately communicated to State Load Dispatch Centre, customer, State Transmission Utility and Generating Company / electricity trader, as the case may be, by the distribution Licensee, within twelve hours. Check meter readings shall be considered when Main Meters are found to be defective or stopped.

Provided that if difference between the readings of main and check meter vis-à-vis main meter reading exceeds twice the percentage error applicable to relevant class, both meters shall be tested and the one found defective shall be immediately replaced and reading of other will be considered.

Provided further that Distribution Licensee for the purpose of this clause shall be the distribution Licensee operating and maintaining distribution system to which consumer's premises are connected;

(6) An open access customer or generating company or Licensee may request distribution Licensee to provide Main Meters. In that case he shall provide security to distribution Licensee and shall pay for its rent and Main Meter shall be maintained by Distribution Licensee;

(7) Main and Check Meters shall have facility to communicate its reading to State Load Dispatch Centre on real time basis or otherwise as may be specified by the Commission. Such special energy meters (conforming to the requirements to be specified by Central Electricity Authority in this regard) shall be installed by the direct customers to the STU and if required, also by the embedded customers as found necessary by the STU / SLDC (the nodal agency).

(8) The Special Energy Meters installed shall be capable of time-differentiated measurements (fifteen minutes integration) of active energy and voltage-differentiated measurement of reactive energy as specified by the State Transmission Utility or the State Load Dispatch Centre.

(9) The term 'Meter' shall include Current transformers, voltage/potential transformers, wiring between them and meter box/ panel.

16. Energy losses

The open access customers shall bear average energy losses in the transmission system as estimated by the State Load Dispatch Centre. The energy losses in the transmission system shall be compensated by additional injection at the injection point. The information regarding average energy losses for the previous fifty two weeks shall be posted on the website of the State Load Dispatch Centre. Fortnightly average transmission loss in the system on all open access customers would need to be monitored by the SLDC.

In case of distribution open access the Licensee shall estimate the losses in the HT system (upto 11 KV). These losses as approved by Commission shall be borne by the open access customer. Progressively these losses shall be calculated using scientific methods and the same shall be borne by the open access customers after it is approved by the Commission under the tariff notification.

17. Compliance of Grid Code

The open access customer shall abide by the Indian Electricity Grid Code, the Tamil Nadu Electricity Grid Code and instructions given by State Transmission Utility and State Load Dispatch Centre as applicable from time to time.

18. Payment Security

(a) As a payment security towards transmission charges, a deposit equal to three months of the average billing on the basis of agreed contract demand or scheduled drawal shall be maintained with the State Transmission Utility.

(b) As a payment security towards SLDC charges, a deposit equal to three months of the SLDC charges shall be maintained with the State Load Dispatch Centre.

(c) As a payment security towards wheeling charges, surcharge and additional surcharge, a deposit equal to three months of average billing for these charges shall be maintained with the distribution Licensee of the area of supply.

(d) Such security may be in the form of cash deposit, irrevocable letter of credit from a local branch of a nationalized bank.

¹[(e) The Open Access customer shall furnish the above payment security within thirty days from the date of commencement of availing open access.]

19. Collection and Disbursement of charges

Unless notified otherwise by the Commission, the collection and disbursement of various charges as specified in Regulation 9 shall be governed as follows:

(a) The application registration and agreement fee shall be paid to the respective nodal agency.

(b) The transmission charges for the intra state transmission and wheeling charges in respect of open access customer shall be payable by the open access customer directly to respective Licensees;

(c) The scheduling and system operation charges in respect of open access customer shall be paid to the State Load Dispatch Centre.

(d) The surcharge and additional surcharge shall be paid by the open access customer directly to the distribution Licensee in his area of supply.

(e) The grid support charges shall be paid by the open access customer, directly to the concerned Distribution Licensee.

²[19-A. Billing and Payment

(1) The licensee / SLDC shall raise bills and the Open Access customers shall pay the charges as below:

(a) Transmission Charges

(i) The STU / Transmission licensee shall raise the bill for transmission charges on the Open Access customers before the 5th day of the succeeding calendar month.

(ii) The open access customer shall pay the charges within seven days from the date of the bill.

(b) Wheeling Charges

(i) The Distribution licensee shall raise bill towards wheeling charges on the open access customer within five days from the date of meter reading.

(ii) The open access customer shall pay the charges within seven days from the date of bill.

(c) Scheduling and system operating charges

(i) The SLDC shall raise bills before the 5th day of the succeeding calendar month.

(ii) The open access customer shall pay the charges within seven days from the date of the bill.

(d) Surcharge and Additional Surcharge

(i) The Distribution Licensee shall raise bills on the open access customers within five days from the date of meter reading.

(ii) The open access customer shall pay the charges within seven days from the date of bill.

(e) Grid support charges

(i) The distribution licensee shall raise bills on the open access customer for the drawal of power from the grid by the consumer as back up supply under the conditions specified in clause (a) of sub-regulation (7) of regulation 9, within five days from the date of meter reading.

¹Inserted as per Commission's Notification No. **TNERC/ISOA/11/1-1, dated 7-7-2008 (w.e.f. 3-8-2005)**

²Inserted as per Commission's Notification No. **TNERC/ISOA/11/1-1, dated 7-7-2008 (w.e.f. 3-8-2005)**

(ii) The open access customer shall pay the charges within seven days from the date of the bill.

(2) Failure to pay the charges will result in discontinuation of open access as contemplated in sub-regulation (8) of regulation 9.]

20. Information system

The State Load Dispatch Centre shall post following information on its website in a separate web page titled "Open access information" and also issue a monthly and annual report containing such information.

(1) A status report on long-term customers indicating, (a) Name of customer; (b) Period of open access granted (date of commencement and date of termination); (c) Point of injection; (d) Point of drawal; (e) Transmission's system / distribution system used and (f) Open access capacity used.

(2) A status report on the current short-term customers indicating, (a) Name of customer; (b) Period of open access granted (date of commencement and date of termination); (c) Point of injection; (d) Point of drawal; (e) Transmission's system / distribution system used, and (f) Open access capacity used.

(3) Peak load flows and capacity available including the reserve capacity on all EHV lines and HV lines emanating from EHV sub-stations.

(4) The information regarding average loss in transmission and distribution system as determined by respective Licensee.

21. Redressal Mechanism

(1) All disputes and complaints relating to open access shall be made to the respective nodal agency, which may investigate and endeavor to resolve the grievance within thirty days, and

(2) Whenever the nodal agency viz., STU / SLDC is unable to resolve a grievance, the matter may be referred to the Commission.

22. Powers to Remove Difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order, direct the State Transmission Utility, State Load Dispatch Centre, Licensees and the open access customer, to take such action, as may appear to the Commission to be necessary or expedient for the purpose of removing difficulties.

23. Force Majeure

(1) Events such as war, mutiny, civil commotion, riot, flood, cyclone, lightning, earthquake or strike, lockout, fire affecting the premises, installations and activities of any of the parties having open access agreement shall be classified as force majeure events for the purpose of these regulations.

(2) If any person being partly to an open access agreement is unable to wholly or in part perform on time and as required, any obligation under such agreement or these regulations because of the occurrence of a force majeure event, then, subject to these regulations, that obligation is suspended to the extent for so long as the affected person's ability to perform such obligation is affected by that force majeure event.

24. Power to amend

The Commission may, at anytime, vary, alter, modify or amend any provisions of these Regulations.

25. Savings

(1) Nothing contained in these Regulations shall invalidate the Commission's powers to exempt any Licensee or customer or person engaged in generation or a person whose premises are situated within the area of supply of a Distribution Licensee from any or all of the conditions for availing open access, whether before or after the notification of these Regulations:

Provided that the Commission shall, as far as practicable, give reasonable opportunity to any interested or affected party to make representations before granting such exemption.

(2) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.

(3) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

(4) Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power or function under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

(By Order of Tamil Nadu Electricity Regulatory Commission)

R.V. RAJAH,
Secretary,
Tamil Nadu Electricity
Regulatory Commission.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

TNERC (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS - 2005

(as amended upto 31-12-2010)

Notification No. TNERC/TR/5/2-9, dated 18-03-2011.

No.VI(2)/236/2011.—

Preamble

Whereas the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:—

(1) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations-2005 (Notification No.TNERC/TR/5/2, dated 24-06-2005)

(2) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Amendment) Regulations 2006 (Notification No.TNERC/TR/5/2-1, dated 09-05-2006)

(3) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Second Amendment) Regulations 2007 (Notification No. TNERC/TR/5/2-2, dated 09-08-2007)

(4) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Third Amendment) Regulations 2007 (Notification No. TNERC/TR/5/2-3, dated 08-09-2007)

(5) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Fourth Amendment) Regulations 2007 (Notification No. TNERC/TR/5/2-4, dated 18-12-2007)

(6) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Fifth Amendment) Regulations 2007 (Notification No. TNERC/TR/5/2-5, dated 06-02-2008)

(7) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Errata) Regulations 2007 (Notification No. TNERC/TR/5/2-6, dated 26-05-2008)

(8) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Consolidated upto 31-12-2009) Regulations 2007 (Notification No. TNERC/TR/5/2-7, dated 20-01-2010)

(9) Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Sixth Amendment) Regulations 2007 (Notification No.TNERC/TR/5/2-8, dated 31-05-2010)

And, Whereas, the Commission considers it necessary that the above regulations with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the Public, to enable them to have a better understanding of the said regulations alongwith the Amendments incorporated therein;

Now, the Commission hereby re-publishes the TNERC (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS – 2005 as amended upto 31-12-2010 in the ensuing Part VI—Section 2 of the *Tamil Nadu Government Gazette*.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) REGULATIONS, 2005

(Notification No. TNERC/TR/5/2, dated 24-06-2005).

No.VI(2)/237/2011.—

WHEREAS, under the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify the terms and conditions for the determination of tariff;

AND, WHEREAS, the regulations providing for the terms and conditions for determination of tariff shall be subject to previous publication and accordingly undergone previous publication;

NOW, THEREFORE, under Section 61 of the Electricity Act, 2003, read with Section 181 thereof and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations.

CHAPTER I

Preliminary

1. Short Title, Applicability and Commencement

(1) These Regulations may be called “**Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for the determination of Tariff) Regulations, 2005.**”

(2) These Regulations supersede “**Tamil Nadu Electricity Regulatory Commission - Tariff Regulations, 2002**” published in Notification No.TNERC/TR/5, dated 19-07-2002.

(3) They shall come into force on the date of publication in the *Tamil Nadu Government Gazette*.

(4) They shall extend to the whole of State of Tamil Nadu.

(5) They shall be applicable for determination of tariff by the Commission in accordance with Section 62 of the Act.

(6) They shall not be applicable to co-generation, captive power plants and generation of electricity from renewable sources of energy including mini hydro projects (covered under Non-Conventional Energy Sources), which will be covered by a separate regulation to be specified by the Commission under clause (e) of sub-section (1) of Section 86 of the Electricity Act, 2003 for promotion of such generation.

2. Definitions

(1) In these Regulations unless the context otherwise requires

(a) ‘**Act**’ means the Electricity Act 2003 (Central Act 36 of 2003)

(b) ‘**Additional Capitalisation**’ means the capital expenditure actually incurred after the date of commercial operation of the / generation station / transmission system and admitted by the Commission after prudence check subject to regulation 19;

(c) ‘**Authority**’ means Central Electricity Authority referred to in Section 70 of the Act;

(d) ‘**Allotted Transmission Capacity**’ means the power transfer in MW between the specified point of injection and point of drawal allowed to a long-term open access customer on the intra-state transmission system under the normal circumstances and the expression “allotment of transmission capacity” shall be construed accordingly;

(e) ‘**Auxiliary Energy Consumption**’ or ‘**AUX**’ in relation to a period means the quantum of energy consumed by auxiliary equipment of the Generating Station and transformer losses within the Generating Station, and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the Generating Station;

(f) ‘**Availability**’ in relation to a thermal Generating Station for any period means the average of the daily average declared capacities (DCs) for all the days during that period expressed as a percentage of the installed capacity of the Generating Station minus normative auxiliary consumption in MW, and shall be computed in accordance with the following formula:

$$\text{Availability} = 10000 \times \sum_{i=1}^N \text{DC}_i / \{ N \times \text{IC} \times (100 - \text{AUX}_n) \} \%$$

where,

IC = Installed Capacity of the Generating Station in MW,

DC_i = Average declared capacity for the ith day of the period in MW,

N = Number of days during the period, and

AUX_n = Normative Auxiliary Energy Consumption as a percentage of gross generation;

(g) **“Beneficiary”** in relation to a generating station means the person buying power generated at such a generating station on payment of annual capacity charges;

(h) **“Block”** in relation to a combined cycle thermal generating station includes combustion turbine – generator, associated waste heat recovery boiler, connected steam turbine – generator and auxiliaries;

(i) **“Commission”** means the Tamil Nadu Electricity Regulatory Commission.

(j) **“Capacity Index”** means the average of the daily capacity indices over one year;

(k) **‘Contracted Power’** means the power in MW which the transmission licensee has agreed to carry or which the transmission licensee is required to carry as per firm allocation from the Generating Station or the long-term agreement between the importing and exporting utility;

(l) **‘Cut off Date’** means the date of first financial year closing after one year of the date of commercial operation of the generating station / transmission system.

(m) **“Date of Commercial Operation” or ‘COD’** in relation to a unit means the date declared by the generator after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run, after notice to the beneficiaries, and in relation to the generating station the date of commercial operation means the date of commercial operation of the last unit of the generating station;

(n) **“Date of Commercial Operation” or “COD” in relation to transmission system** means the date of charging the project or part thereof to its rated voltage level or seven days after the date on which it is declared ready for charging by the transmission licensee, but is not able to be charged for reasons not attributable to the transmission licensee, its suppliers or contractors.

Provided that the date of commercial operation shall not be a date prior to the scheduled date of commercial operation mentioned in the implementation agreement or the transmission service agreement or the investment approval, as the case may be, unless mutually agreed to by all parties.

(o) **“Declared Capacity” or “DC”** means the capability of the generating station to deliver ex-bus electricity in MW declared by such Generating Station in relation to any period of the day or whole of the day, duly taking into account the availability of fuel;

Note :

In case of a gas turbine Generating Station or a combined cycle Generating Station, the Generating Station shall declare the capacity for units and modules on gas fuel and liquid fuel separately, and these shall be scheduled separately. Total declared capacity and total scheduled generation for the Generating Station shall be the sum of the declared capacity and scheduled generation for gas fuel and liquid fuel for the purpose of computation of availability and Plant Load Factor respectively

(p) “Declared Capacity” or ‘DC’ relating to hydro generation

(a) For run-of-river power station with pondage and storage-type power stations, declared capacity means the ex-bus capacity in MW expected to be available from the generating station over the peaking hours of next day, as declared by the generator, taking into account the availability of water, optimum use of water and availability of machines and for this purpose, the peaking hours shall not be less than 3 hours within 24 hour period, and

(b) In case of purely run-of-river power stations, declared capacity means the ex-bus capacity in MW expected to be available from the generating station during the next day, as declared by the generating station, taking into account the availability of water, optimum use of water and availability of machines;

(q) **“Deemed Generation”** means the energy which a generating station was capable of generating but could not generate due to the conditions of grid or power system, etc. beyond the control of generating station;

(r) **“Design Energy”** means the quantum of energy which could be generated in a 90% dependable year with 95% installed capacity of the hydro power generating station;

(s) **“Existing Generating Station”** means a generating station declared under commercial operation from a date prior to the notification of these Regulations;

(t) **“Existing Project”** means the project declared under commercial operation from a date prior to the notification of these Regulations;

(u) **‘Gross Calorific Value’ or ‘GCV’** in relation to a thermal power Generating Station means the heat produced in kCal by complete combustion of one kilogram of solid fuel or one litre of liquid fuel or one standard cubic meter of gaseous fuel, as the case may be;

(v) **‘Gross Station Heat Rate’ or ‘GHR’** means the heat energy input in kCal required to generate one kWh of electrical energy at generator terminals;

(w) “Government” means the Government of Tamil Nadu.

(x) ‘Infir Power’ means electricity generated prior to commercial operation of the unit of a Generating Station;

(y) ‘Installed Capacity’ or ‘IC’ means the summation of the name plate capacities of all the units of the Generating Station or the capacity of the Generating Station (reckoned at the generator terminals) as approved by the Commission from time to time;

(z) ‘Long-Term Open Access Customer’ means a person availing or intending to avail access to the intra-state transmission system for a period specified in the TNERC Open Access Regulations.

(aa) ‘Maximum Available Capacity’ relating to hydel stations means the following:

(a) Run-of-river power station with pondage and storage type power stations

The maximum capacity in MW, the generating station can generate with all units running, under the prevailing conditions of water levels and flows, over the peaking hours of next day,

Explanation

The peaking hours for this purpose shall not be less than 3 hours within a 24 hours period.

(b) Purely run-of-river power stations

The maximum capacity in MW, the generating station can generate with all units running, under the prevailing conditions of water levels and flows over the next day.

(bb) ‘Operation and Maintenance Expenses’ or ‘O and M Expenses’ means the expenditure incurred in operation and maintenance of the generating station, or part thereof / transmission system / distribution system, including the expenditure on employee cost, repair and maintenance and administration and general expenses.

(cc) ‘Original Project Cost’ means the actual expenditure incurred by the project as per the original scope up to first financial year closing after one year of the date of commercial operation of the last unit as admitted by the Commission;

(dd) ‘Plant Load Factor’ or ‘PLF’ for a given period, means the total sent out energy corresponding to scheduled generation during the period, expressed as a percentage of sent out energy corresponding to installed capacity in that period and shall be computed in accordance with the following formula:

$$PLF = 10000 \times \sum_{i=1}^N SG_i / \{N \times IC \times (100 - AUX_n)\} \%$$

where,

IC = Installed Capacity of the Generating Station in MW,

SG_i = Scheduled Generation in MW for the i^{th} time block of the period,

N = Number of time blocks during the period, and

AUX_n = Normative Auxiliary Energy Consumption as a percentage of gross generation;

(ee) ‘Run-of-river power station’ means a hydro electric power generating station which has no upstream pondage;

(ff) ‘Run –of-river power station with pondage’ means a hydro electric power generating station with sufficient pondage for meeting the daily variation of power demand;

(gg) ‘Storage Type power station’ means a hydro electric power generating station associated with large storage capacity to enable variation of generation of power according to demand;

(hh) ‘Scheduled Energy’ means the quantum of energy to be generated at the generating station over the 24-hour period, as scheduled by the Regional / Sub Load Despatch Centre;

(ii) ‘Scheduled Generation’ or ‘SG’ at any time or for any period or time block means schedule of generation in MW ex-bus given by the Regional / Sub Load Despatch Centre;

Note :

For the gas turbine Generating Station or a combined cycle Generating Station if the average frequency for any time block, is below 49.52 Hz but not below 49.02 Hz and the scheduled generation is more than 98.5% of the declared capacity, the

scheduled generation shall be deemed to have been reduced to 98.5% of the declared capacity, and if the average frequency for any time block is below 49.02 Hz and the scheduled generation is more than 96.5% of the declared capacity, the scheduled generation shall be deemed to have been reduced to 96.5% of the declared capacity.

(jj) 'Transmission licensee', means a person granted licence for intra-state transmission of electricity and includes STU.

(kk) 'Transmission System' means a line with associated sub-stations or a group of lines inter-connected together along with associated sub-stations and the term includes equipment associated with transmission lines and sub-stations;

(ll) 'Year' means a financial year.

Words or expressions occurring in these Regulations and not defined herein but defined in other Regulations published by the Commission or the Electricity Act 2003 shall bear the same meaning respectively assigned to the terms in the Act / Regulations.

CHAPTER II

Determination of Tariff

3. Power to determine Tariff

(1) Under Section 62 of the Act, the Commission shall determine tariff and terms and conditions therefor in the following cases:

(i) Supply of electricity by a Generating Company to a Distribution licensee:

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

(ii) Intra-State transmission of electricity.

(iii) Rates, charges and terms and conditions for use of Intervening transmission facilities, if these cannot be mutually agreed upon by the licensee as provided in Section 36 (1) of the Act.

(iv) Wheeling of electricity.

(v) Retail sale of electricity.

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

Provided further that the consumers who are allowed open access by the Commission under Section 42 of the Act may enter into an agreement with any person / licensee for supply or purchase of electricity on such terms and conditions (including tariff) as may be mutually agreed to between them.

(vi) Surcharge payable by the consumer who is allowed open access in addition to the charges for wheeling under the first proviso to sub-section (2) of section 42 of the Act and in accordance with the TNERC Open Access Regulations.

(vii) Additional surcharge on the charges of wheeling payable by a consumer who is allowed open access by the Commission under sub-section (4) of Section 42 of the Act and in accordance with the TNERC Open Access Regulations.

(2) As provided in sub-section (5) of section 64 of the Act,

"Notwithstanding anything contained in Part X of the Act, the tariff for any interstate supply, transmission or wheeling of electricity, as the case may be, involving the territories of two States, may, upon an application made to it by the parties intending to undertake such supply, transmission or wheeling, be determined by the Commission in cases where the licensee intending to distribute electricity and make payment therefor is under the Commission's jurisdiction."

(3) As provided in section 63 of the Act,

"Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

4. Tariff setting principles

The Commission, while determining the tariff, shall be guided by the following factors:-

(i) The guidelines outlined in Section 61 of the Act which reads as:

“The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:—

- (a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
- (b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- (c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- (d) safeguarding of consumers’ interest and at the same time, recovery of the cost of electricity in a reasonable manner;
- (e) the principles rewarding efficiency in performance;
- (f) multi year tariff principles;
- (g) ¹[that the tariff progressively reflects the cost of supply of electricity and also, reduces the cross-subsidy in the manner to be specified by the Commission;]
- (h) the promotion of co-generation and generation of electricity from renewable sources of energy;
 - (i) the National Electricity Policy and tariff policy:”
 - (ii) Rationalisation of tariff
 - (iii) Avoidance of tariff shock to any category while setting the tariff to progressively reflect the cost.
 - (iv) Consideration of minimum level of support required to make electricity affordable for household of very poor category.
 - (v) In the process of determining tariff to progressively reflect the cost to serve each category, the Commission may endeavour to see that tariff to any category of consumers does not exceed 150% of the cost of supply and also is not less than 50% of the cost of supply.
 - (vi) Adequate payment security arrangements like Letter of credit shall be ensured to Generating Companies.
 - (vii) The Generating Companies shall be allowed to sell to other buyers without losing their claim on committed capacity charges in case of under recovery of these charges from alternate sales.
 - (viii) For new Generating Stations, a significant part of the capacity shall be made available (as free capacity) to be sold through trading markets and the remaining capacity only shall be contracted through Power Purchase Agreement.
 - (ix) The new Power Purchase Agreement shall have appropriate clauses to ensure that the contracts can be modified to align them with the emerging market structures.
 - (x) The linkage of Power Purchase Agreement terms to loan tenor shall be progressively de-emphasized as the electricity markets and trading arrangements provide alternate avenues to developers for selling their output.

5. Filing of Aggregate Revenue Requirement

(1) The Distribution / Transmission licensee shall file the Aggregate Revenue Requirement (ARR) on or before 30th November of each year in the format prescribed, containing the details of the expected aggregate revenue that the licensee is permitted to recover at the prevailing tariff and the estimated expenditure.

(2) ARR shall be filed every year even when no application for determination of tariff is made.

6. Procedure for making application for Determination of Tariff

(1) The licensee may file the application for determination of tariff in Form 1 in Annexure 1 to the TNERC Conduct of Business Regulations. The tariff changes should normally be applied for to take effect from the 1st day of ensuing financial year and hence the application shall be filed before 30th November of Current Year along with Aggregate Revenue Requirement (ARR).

¹Substituted as per Commission’s Notification No. **TNERC/TR/5/2-4, dated 18-12-2007, (w.e.f. 06-02-2008)**, which before substitution stood as under :

“(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;”

(2) The application shall be accompanied by the fees specified in the TNERC Fees and Fines Regulations and verified by an affidavit in Form 2 specified in Annexure 2 to the TNERC Conduct of Business Regulations.

(3) The application for determination of tariff for the existing Generating Stations and Transmission System shall be accompanied by information in the respective formats appended to these regulations duly furnishing the figures for the previous year, current year and ensuing year. The application for determination of tariff by Distribution licensees shall be accompanied by the information in the ARR formats appended to these Regulations. The information for the previous year should be based on the Audited Accounts and in case audited account of previous year are not available, the audited accounts for the immediately preceding year should be filed along with the unaudited accounts of the previous year.

(4) If a person holds more than one licence and / or deemed to be licensee for more than one area of distribution or transmission, he shall submit separate calculation as above in respect of each licence or area of transmission or distribution. The licensee shall endeavour to separate the accounts function wise. Distribution and Supply shall be treated as separate function.

(5) A licensee having a Generating Station shall maintain and submit separate accounts for the licensed business and Generating Station.

(6) Transmission licensee and Distribution licensee engaged in other business for optimum utilisation of their Assets in the licensed business, shall maintain separate account for such other business and submit with tariff proposal the proportion of revenue utilised to reduce the transmission / wheeling charges as stipulated in TNERC (Licensing) Regulations.

(7) In case of Generating Station or the Transmission system declared under commercial operation on or after the date of notification of these Regulations, an application for fixation of tariff shall be made in two stages as below:

¹[(i) (a) A generation company or a licensee may make an application as per Appendix – I to these regulations, for determination of provisional tariff in advance of the anticipated date of completion of the project, based on the capital expenditure actually incurred upto the date of making of the application or a date prior to making of the application, duly audited and certified by the statutory auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective units of the generation station or the line or sub-station of the transmission system.

(b) Provisional tariff or provisional billing of charge, wherever allowed by the Commission based on the application made by the generating company or the transmission licensee or by the Commission on its own or otherwise, shall be adjusted against the final tariff approved by the Commission.

Provided that where the provisional tariff charged exceeds the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall pay simple interest @ 6% per annum computed on monthly basis, on the excess amount so charged from the date of payment of such excess amount and upto the date of adjustment.

Provided further that where the provisional tariff charged is less than the final tariff approved by the Commission, the beneficiaries shall pay simple interest at 6% per annum, computed on monthly basis on the deficit amount from the date on which final tariff will be applicable upto the date of billing of such deficit amount.

Provided also that excess/deficit amount along with simple interest at 6% shall be adjusted within three months from the date of order failing which the defaulting licensee / beneficiary shall be liable to pay penal interest on excess / deficit amount at the rate as may be decided by the Commission].

(ii) A licensee shall make a fresh application in the same format as above, for the determination of final tariff based on actual capital expenditure incurred upto the date of commercial operation of the Generating Station or Transmission system duly audited and certified by the Statutory Auditors.

(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.

7. Decision on Application

(1) The application received in complete shape shall be registered and numbered as provided for in the TNERC Conduct of Business Regulations.

¹Substituted as per Commission's Notification No. TNERC/TR/5/2-3, dated 08-09-2007 (w.e.f 03-10-2007), which before substitution stood as under

(i) "A licensee may make an application as per format stipulated by the Commission for determination of tariff in advance of the anticipated date of completion of the projects based on the Capital Expenditure actually incurred upto the date of making of the application or a date prior to making of application, duly audited and the provisional tariff shall be charged from the date of commercial operation of the line or sub-station of the Transmission System".

(2) The applicant shall publish, for the information of public, the contents of the application in an abridged form in English and Tamil newspapers having wide circulation and as per the direction of the Commission in this regard. The copies of Petition and documents filed with the Commission shall also be made available at a nominal price, besides hosting them in the website.

(3) The applicant shall furnish reply to the objection / suggestion if any received from the public direct to the objector with a copy to the Commission.

(4) The Commission may conduct its proceedings in accordance with the provisions of the Tamil Nadu Electricity Regulatory Commission – Conduct of Business Regulations, 2004.

(5) The Commission shall, within one hundred and twenty days from the date of receipt of application, issue tariff order taking all the possible suggestions and objections into consideration.

(6) The Commission may also reject the application for determination of tariff for reasons to be recorded in writing if the application is not in accordance with the provisions of the Act, Codes or Regulations made thereunder or the provision of any other law in force for the time being.

Provided that the applicant shall be given a reasonable opportunity of being heard before rejecting the application.

8. Publication of Tariff Order

(1) The licensee shall, within the time specified in the Tariff Order of the Commission, publish the salient features of tariff in two English Newspapers and two Tamil Newspapers having wide circulation in Tamil Nadu.

(2) The tariff shall come into force from the date specified in the Tariff Order and shall, unless amended or revoked, continue to be in force for such period as may be specified in the Tariff Order.

9. Communication of the Tariff

The Commission, shall, within seven days of making the order, send a copy of the order to the licensees, Government of Tamil Nadu, the Central Electricity Authority and to the persons concerned.

10. Refund of excess amount

The licensee shall recover the charges as per the tariff determined by the Commission. If any licensee recovers the charges exceeding the tariff determined by the Commission, the excess amount shall be refunded to the person who has paid such excess charges along with interest equivalent to the bank rate notified by the Reserve Bank of India.

11. Time-of-the- Day Tariff

(1) To promote demand side management peak and off-peak tariff may be implemented.

(2) The time between 0600 hrs and 0900 hrs and between 1800 hrs and 2100 hours shall be treated as peak hour.

(3) The duration between 2200 hours and 0500 hours shall be off-peak hours.

12. Power Factor

The Commission may direct certain categories of consumers to maintain power factor at a prescribed level and allow incentive / disincentive for maintaining above / below the prescribed level.

13. Regulatory Asset

(1) Wherever the licensee could not fully recover the reasonably incurred cost at the tariff allowed with his best effort after achieving the benchmark standards for the reasons beyond his control under natural calamities and force majeure conditions and consequently there is a revenue shortfall and if the Commission is satisfied with such conditions, the Commission shall treat such revenue shortfall as Regulatory Asset.

(2) The regulatory asset shall first be adjusted against the contingency reserve. The balance regulatory asset, if any, will be allowed to be recovered within a period of three years as decided by the Commission.

(3) The licensee shall intimate the Commission then and there when such contingency arises.

(4) Any un recovered gap at the beginning must be covered through transition financing arrangement or capital restructuring.

14. Multiyear Tariff

(1) The Commission may implement multi year tariff for the Transmission and Distribution licensees for a period to be notified by the Commission.

(2) The Commission may determine Tariff and revenue for the base year, after proper evaluation and verification of the submission made by the licensee.

(3) The Commission may seek expert consultation in the process to determine allowable costs of the licensees for each of the years of the control period.

(4) The control period shall be the subsequent years following the previous year.

(5) All the uncontrollable costs shall be allowed as pass through in tariff and the uncontrollable costs will include the following:

(a) Cost of fuel;

(b) Costs on account of inflation;

(c) Taxes and duties; and

(d) Variation in power purchase unit cost from base line level including on account of hydro-thermal mix in case of force majeure and adverse natural events like drought

(6) The Operation and Maintenance cost shall be controllable cost and be based on escalation indices or other mode determined during determination of tariff for the base year.

(7) Target for reduction of technical and commercial losses during the control period shall be determined with reference to the loss level determined for the base year and such level shall have the flexibility to accommodate changes due to completion of metering arrangement for accurate measurement of losses. The financial loss if any due to failure to achieve the target shall be borne by the licensee and gain if any shall be shared with the beneficiaries at the rate of 50 : 50.

(8) At the end of the control period a comprehensive review of the performance may be undertaken.

15. Annual Accounts and Reports, etc.

(1) Every licensee shall prepare Annual Statement of Accounts and Annual Report in the form specified in the TNERC (Licensing) Regulations giving an account of their activities during the Current Year and Previous Year and likely to be undertaken in the ensuing year. The report of activities will also indicate targets and achievements in respect of various performance parameters.

(2) The Tamil Nadu Electricity Board shall prepare the Annual Statement of Accounts in the form prescribed in the Electricity (Supply) Annual Accounts Rules 1985 until these rules are rescinded or modified as the case may be.

(3) The Annual Statement of Accounts and other reports shall be furnished (in duplicate) to the Commission before 30th November of every year.

16. Business Plan

The licensee shall furnish a detailed Business Plan for five years for approval by the Commission. The Business Plan shall contain projections for all activities including loss reduction, effective and tamper proof metering and the criteria for projection.

17. Capital Investment Plan

(1) The licensee shall file a detailed Capital Investment Plan every year showing separately, on going projects that will spill into the year under review and new project (along with justification) that will commence but may be completed within or beyond the tariff period.

(2) The Commission may consider the licensee's investment plan for approval and for this purpose, may require the licensees to provide relevant technical and commercial details. The costs corresponding to the approved investment plan of a licensee for a given year shall normally be considered for its revenue requirement.

(3) In presenting the justification for new projects, the licensee shall detail the specific nature of the works and the results to be achieved. The details must be shown in physical parameter (e.g.) new capacity to be added, length of lines to be energised, number of sub-stations / Bays to be added, meters to be added, replaced, etc. so that it is amenable for physical verification. In case of significant shortfall in achieving physical targets, the Commission may require the licensee to explain the reasons, and may proportionately reduce the provision, including interest and return component made towards revenue requirement, in the next tariff proposal.

(4) The licensee may, at any time, during the tariff year, seek provision for additional capital expenditure to meet natural calamities involving substantial investment and the Commission shall examine and review these provisions in the manner as given in this regulation and approve their inclusion in the revenue requirement in the next period.

(5) The licensee shall get the Capital Investment Plan approved by the Commission before filing ARR and Application for determination of tariff.

CHAPTER III

General Principles of computing cost and return

18. Capital Cost

(1) Accurate computation of cost of service including return on investment is essential for determination of cost plus tariff. The Commission shall be guided by the following principles to compute the cost and return.

(2) Investments made prior to the notification of these Regulations by the Generating Company and licensees shall be accepted on the basis of audited accounts.

(3) The actual capital expenditure on the date of commercial operation for the original scope of work based on audited accounts of the Company / licensee limited to original cost may be considered subject to prudence check by the Commission.

(4) Wherever Power Purchase Agreement or Agreement for transmission / wheeling provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling.

(5) The capital cost shall include capitalised initial spares subject to the following ceiling norms:

(i) In case of coal based / lignite fired Generating Stations - 2.5% of original project cost as on the cut off date.

(ii) In case of Gas Turbine / Combined cycle Generating Stations - 4.0% of original project cost as on the cut off date.;

(iii) In case of Hydro Generating Stations – 1.5% of the original project cost as on the cut off date;

(iv) In case of Transmission and Distribution licensees - 1.5% of original project cost as on the cut off date.

(6) Scrutiny of the project cost estimates by the Commission shall be limited to the reasonableness of the capital cost, financing plan, interest during construction stage, use of efficient technology and such other matters, for determination of tariff. In respect of capital cost based projects, a 50% of potential savings, if any, in interest during construction, due to completion of project ahead of schedule, may be allowed to be retained by the Generating Company / licensee and the balance 50% passed on as a lower tariff.

(7) Swapping of foreign Debt and Equity shall be permitted, provided the benefit accruing from such swapping is passed on to consumers / beneficiaries in the year following the year of such swapping.

(8) Restructuring of capital cost in terms of relative share of equity and loan shall be permitted during the tariff period provided it does not affect tariff adversely. Any savings in costs on account of subsequent restructuring shall be shared between the developers / licensees and the beneficiaries / consumers.

¹[Provided that any person intending to establish, operate and maintain a generating station may make an application before the Commission for 'in principle' acceptance of the project capital cost and financing plan before taking up the project through a petition in accordance with the Tamil Nadu Electricity Regulatory Commission (Conduct of Business) Regulations 2004. The petition shall contain information regarding salient features of the project including capacity, location, site specific features, fuel, beneficiaries, break up of capital cost estimates, financial package, schedule of commissioning, reference price level, estimated completion cost including foreign exchange component, if any, consent of beneficiary / licensee to whom the electricity is proposed to be sold etc.,

Provided further that where the Commission has given 'in principle' acceptance to the estimates of project capital cost and financing plan, the same shall be the guiding factor for applying prudence check on the actual capital expenditure].

19. Additional Capitalization

(1) The capital expenditure within the original scope of work actually incurred in respect of the following items after the date of commencement of operation and upto the cut off date may be admitted by the Commission, subject to prudence check.

(i) Deferred liabilities

(ii) Works deferred for execution

(iii) Procurement of initial spares subject to the ceiling specified in Regulation 18.5.

¹Inserted as per Commission's Notification No. **TNERC/TR-5/2-3, dated 08-09-2007 (w.e.f. 03-10-2007)**

(iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court.

(v) On account of change of law

(vi) Any additional works / services which have become necessary for efficient and successful operation of the Generating Station, but not included in the original project cost.

Note: The list is illustrative and not exhaustive.

(2) Any expenditure on minor items / assets like normal tools and tackles, personal computers, furniture, air conditioners, etc. bought after the cut off date shall not be considered for additional capitalisation for determination of tariff.

(3) The impact of additional capitalisation in tariff revision may be considered by the Commission twice in a tariff period, including revision of tariff after the cut off date.

Note:

1. *Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt equity ratio specified in Regulation 21.*

2. *Any expenditure incurred on replacement of old assets shall be considered after writing off the gross value of the original assets from the original capital cost except the minor assets brought after cut off date and not considered for additional capitalisation vide clause (2) of this Regulation.*

3. *Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt equity ratio specified in regulation 21.*

4. *Any expenditure admitted by the Commission for determination of tariff on renovation and modernisation and life extension shall be serviced on normative debt equity ratio specified in regulation 21. after writing off the original amount of the replaced assets from the original project cost.*

20. Revenue / charges during trial stage (prior to COD)

(1) The cost incurred during trial upto COD shall be treated as capital cost

(2) The revenue earned from sale of power (infirm power) shall be treated as reduction in capital cost.

(3) Cost of infirm power shall be the lowest fuel cost applicable to the existing similar type of station.

21. Debt-Equity Ratio

For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation of Generating Station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these Regulations shall be 70:30. Where equity employed is more than 30% the amount of equity shall be limited to 30% and the balance amount shall be considered as loans, advanced at the weighted average rate of interest and for weighted average tenor of the long term debt component of the investment.

Provided that in case of a Generating Company or other licensees, where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of return on equity in tariff computation.

22. Return on Equity

(1) Return on equity shall be computed on the equity base determined in accordance with regulation 21 @ 14% per annum. The return shall be allowed post tax:

Provided that equity invested in foreign currency shall be allowed a return upto the prescribed limit in the same currency and payment on this account shall be made in Indian Rupees based on the exchange rate prevailing on the due date of billing.

¹[xxxx]

(2) The premium raised by the Generating Company or the licensee while issuing capital and investment of internal resources created out of free reserve, if any, for funding of a project shall also be reckoned as paid up capital for the purpose of computing return on equity provided such premium amount and internal resources are actually utilised for meeting capital expenditure of the project.

23. ²[Interest and Finance Charges on (debt) Loan Capital

- a. Interest on loan Capital shall be computed loan-wise on the loan arrived at in the manner set out in Regulation 21.
- b. The Generating Company/licensee shall make every effort to re-finance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such re-financing shall be borne by the beneficiaries;
- c. The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the beneficiaries;
- d. In case of dispute, any of the parties may approach Commission with proper application. However, the beneficiaries shall not with-hold any payment ordered by the Commission to the generating company / licensee during pendency of any dispute relating to re-financing of loan.
- e. In case any moratorium is availed of by the Generating Company / licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.
- f. The Generating Company / licensee shall not make any profit on account of re-financing of loan and interest on loan.

¹Omitted as per Commission's Notification No. **TNERC/TR-5/2-2, dated 09-08-2007 (w.e.f. 29-08-2007)**, which before omission stood as under :

"Provided that the Tamil Nadu Electricity Board shall adopt the rate of reasonable return prescribed in the Electricity (Supply) Annual Accounts Rules 1985 til these rules are rescinded or modified".

²Substituted as per Commission's Notification No. **TNERC/TR-5/2-3, dated 08-09-2007 (w.e.f. 03-10-2007)**, which before substitution stood as under :

"23. Interest and Finance Charges on (debt) Loan Capital

(1) Interest on loan capital including the amount of equity above 30% treated as loan shall be computed on the outstanding loans duly taking into account the schedule of repayment, as per the terms and conditions of relevant agreement of loan, bonds or debentures.

(2) The Generating Company or the licensee shall put in every effort to swap the loan as long as it results in net benefit to the beneficiaries. The cost associated with such swapping shall be borne by the beneficiaries.

(3) The changes to the loan terms and conditions shall be reflected from the date of such swapping and benefit passed on to the beneficiaries.

(4) The Generating Company and the licensee shall not make any profit on account of swapping of loan and interest on loans.

(5) Interest on Security Deposit, if any, with the Generating Company or the licensee shall be considered at the rate specified by the Commission from time to time.

(6) In case any moratorium period is availed by the Generating Company or the licensees, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.

(7) Saving in costs on account of subsequent restructuring of debt shall be shared between the consumers and the Generating Company / licensees.

(8) The future agreements with lenders may have a provision for refixation of interest rate after every three years to reduce the interest commitment.

g. The Generating Company / licensee may, at its discretion, swap loans having floating rate of interest with loans having fixed rate of interest, or vice-versa, at its own cost and gains or losses as a result of such swapping shall accrue to the generating company/ licensee.

Provided that the beneficiaries shall be liable to pay interest for the loan initially contracted, whether on floating a fixed rate of interest”]

24. Depreciation

For the purpose of tariff, depreciation shall be computed in the following manners:

- (i) The value base for the purpose of depreciation shall be historical cost of the asset.
- (ii) The depreciation shall be calculated at the rates as per the Annexure to these Regulations.
- (iii) The residual value of assets shall be considered as 10% and depreciation shall be allowed upto maximum of 90% of the estimated cost of the Asset.
- (iv) Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset.
- (v) The historical cost of the asset shall include additional capitalisation.
- (vi) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro-rata basis.
- (vii) After the assets are fully depreciated the benefit of reduced tariff shall be made available to the consumer.

¹[xxxx]

²[24. A. Advance Against Depreciation

In addition to the allowable depreciation, the licensee shall be entitled to Advance Against Depreciation computed in the manner given hereunder.

Advance Against Depreciation = Loan repayment amount minus depreciation as per the Depreciation schedule in the Annexure subject to a maximum of 1/10th of the loan amount.

Provided that Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year;

Provided further that Advance Against Depreciation in a year shall be restricted to the extent of difference between cumulative loan repayment and cumulative depreciation up to the year].

25. Operation and Maintenance Expenses

(1) The operation and maintenance expenses shall be derived on the basis of actual operation and maintenance expenses for the past five years previous to current year based on the audited Annual Accounts excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission. The Commission may, if considered necessary engage Consultant / Auditors in the process of prudence check for correctness.

¹Omitted as per Commission's Notification No. **TNERC/TR-5/2-2, dated 09-08-2007 (w.e.f. 29-08-2007)**, which before omission stood as under :

“Note: The Electricity (Supply) Annual Accounts Rules 1985 made under Section 69 of the Electricity (Supply) Act 1948 shall continue to have effect until these rules are rescinded or modified as the case may be and depreciation shall be allowed accordingly”.

²Inserted as per Commission's Notification No. **TNERC/TR/5/2-5, dated 06-02-2008 (w.e.f. 27-02-2008)**

(2) The average of such normative operation and maintenance expenses after prudence check shall be escalated at the rate of 4% per annum to arrive at operation and maintenance expenses for current year i.e. base year and ensuing year.

(3) The base operation and maintenance expenses so determined shall be escalated further at the rate of 4% per annum to arrive at permissible operation and maintenance expenses for the relevant years of tariff period.

(4) In case of the thermal power Generating Stations, which have not been in existence for a period of five years the operation and maintenance expenses shall be fixed at 1.0% of the capital cost (as admitted by the Commission) and shall be escalated at the rate of 4% per annum from the subsequent year to arrive at base operation and maintenance expenses. The base operation and maintenance expenses shall be further escalated at the rate of 4% per annum to arrive at permissible operation and maintenance expenses for the relevant year.

(5) In case of the thermal power generating stations declared under commercial operation on or after the notification of these Regulations, the base operation and maintenance expenses shall be fixed at 1.0% of the actual capital cost (as admitted by the Commission), in the year of commissioning and shall be subject to an annual escalation of 4% per annum for the subsequent years.

(6) In case of the hydro electro Generating Stations, which have not been in existence for a period of five years, the operation and maintenance expenses shall be fixed at 1.0% of the capital cost as admitted by the Commission and shall be escalated at the rate of 4% per annum from the subsequent year to arrive at base operation and maintenance expenses. The base operation and maintenance expenses shall be further escalated at the rate of 4% per annum to arrive at permissible operation and maintenance expenses for the relevant year.

(7) In case of the hydro electric generating stations declared under commercial operation on or after the notification of these Regulations, the base operation and maintenance expenses shall be fixed at 1.0% of the actual capital cost as admitted by the Commission, in the year of commissioning and shall be subject to an annual escalation of 4% per annum for the subsequent years.

(8) In respect of the transmission system declared under commercial operation on or after notification of these regulations the base operation and maintenance expenses shall be fixed at 1% of the capital cost (as admitted by the Commission), in the year of commissioning and shall be subject to an annual escalation of 4% per annum for the subsequent years.

(9) In case of considerable variation between the normative expenses and actual expenses, the Commission may allow the Generating Company or the licensee to achieve the normative level over a period of time.

(10) Increase in Operation and Maintenance expenses due to force majeure conditions like war, insurgency, change in law, may be considered by the Commission.

(11) Any savings achieved by Generating Company or the licensee shall be allowed to be retained by them. When they exceed the normative expenses they shall bear the loss.

(12) Where the Commission desires to fix multi year tariff a formula based on Consumers' Price Index and Wholesale Price Index shall be prescribed.

26. Working Capital

(1) The Commission may conduct lead-lag studies for determination of Working Capital requirement for various types of Generating Stations / Transmission system / distribution system to arrive at a formulaic dispensation to accommodate improvement on norms mutually agreed to between the generators and purchasers.

(2) Till such a formula is evolved, the norms for Working Capital shall be as below:

(a) For Coal based / Lignite fired Generating Stations

(i) Cost of coal or lignite for one and half month for pit head generating stations and two months for non pit head generating stations corresponding to the target availability;

(ii) Cost of secondary fuel oil for two months corresponding to the target availability;

(iii) Operation and Maintenance expenses for one month;

(iv) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and

(v) Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on “target availability”.

(b) For Gas Turbine / combined cycle Generating Stations

(i) Fuel cost for one month corresponding to the target availability duly taking into account the mode of operation of the Generating Station on gas fuel and liquid fuel;

(ii) Liquid fuel stock for half month;

(iii) Operation and Maintenance expenses for one month;

(iv) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and

(v) Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on target availability.

(c) For Hydro Power Generating Stations

The working Capital shall cover:

(i) Operation and Maintenance expenses for one month;

(ii) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and

(iii) Receivables equivalent to two months of fixed charges for sale of electricity, calculated on normative capacity index.

(d) For Transmission System

Working Capital shall cover:

(i) Operation and Maintenance Expenses for one month;

(ii) Maintenance spares @ 1% of the historical cost of the transmission asset escalated at 6% per annum from the date of commencement of operation;

(iii) Receivables equivalent to two months transmission charges calculated on target availability level.

(e) For Distribution System

(i) Operation and Maintenance expenses for one month

(ii) Maintenance spares for two months based on annual requirement considered at 1% of the gross fixed cost at the beginning of the year.

(iii) Receivable equivalent to sixty days consumption charges.

27. Interest on Working Capital

The rate of interest on working capital shall be on normative basis and shall be equivalent to the short term primary lending rate of State Bank of India as on 1st April of the relevant year.

28. Deviation from Norms

(1) Norms of operation specified in these regulations are the ceiling norms and the Generating Company and the user may agree for improved norms. In such a case, the improved norms on the basis of their agreement shall be considered for the purpose of tariff determination.

(2) In respect of the Generating Companies covered under Power Purchase Agreements the norms in the Power Purchase Agreements will be applicable till the expiry of the contract.

29. Bad and Doubtful Debt

The Commission may consider and allow a provision upto 0.25% of receivables for writing off of bad and doubtful debts. The licensee or Generating Company shall write off the Bad and Doubtful debts as per the procedure laid down by them.

30. Insurance

The Generating Company and licensee may adopt the practice of Self Insurance and a provision upto 0.5% of the capital cost shall be allowed by the Commission in their revenue requirement. The reserves shall be utilised to replace the assets lost due to accident, fire, flood, cyclone and other force majeure conditions.

31. Contingency Reserve

The Generating Companies and the licensees shall provide and maintain a contingency reserve upto 0.5% of the value of assets at the beginning of the year and the provision made for the year will be allowed in their Revenue Requirement. This reserve will be utilised to meet any contingent liability or unforeseen revenue losses.

32. Foreign Exchange Rate Variation

(1) Extra rupee liability towards interest payment and loan repayment corresponding to the actual foreign debt in the relevant year shall be permissible provided the entire rupee liability directly arises out of Foreign Exchange Rate variation and is not attributable to the Generation Company / licensee or their suppliers or contractors.

(2) Generating Companies shall be allowed reasonable cost of hedging subject to a ceiling of 1 % of the foreign exchange component to take care of foreign exchange variation.

33. Income Tax

(a) Tax on Income stream of the Generating Company or the Transmission licensee or the Distribution licensee as the case may be from Core / Licensed business shall be computed as expenses and shall be recovered as pass through from the beneficiaries.

(b) Under recovery or over recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income tax assessment under the Income Tax Act 1961 (Act 43 of 1961) as certified by the Statutory Auditors.

Provided that tax on income from business other than the Core / licenced business shall not constitute a pass through component in tariff and the tax on such income shall be borne by the Generating Company or the licensees as the case may be.

34. Provisional assessment of Income Tax and Foreign Exchange Rate variation

Income tax and Foreign Exchange Rate variation shall be provisionally estimated by the Commission with reference to the ARR and application of the Generating Company or the licensee for the purpose of determining tariff and shall be subject to adjustment as per actuals.

CHAPTER IV

Thermal Power Generating Station

35. Application for Determination of Tariff

(1) The Generating Company may file application for determination of tariff in the manner specified in Chapter II of these Regulations.

¹[(2)In respect of existing Generating Companies covered under Power Purchase Agreement already entered, the tariff and norms shall be as per the terms agreed to, in so far as such terms are not inconsistent with the provisions of the Act.] However, modification to the existing Power Purchase Agreement may be undertaken through mutual discussion between the parties to the agreement to explore possibilities of reducing costs and aligning the Power Purchase Agreement with the new market structure.

36. Components of Tariff

(1) The tariff for sale of power by the Generating Companies shall be of two part namely the Fixed Charges (recovery of annual capacity charges) and variable (energy) charges.

(2) The Fixed (annual capacity) charges shall consist of the following elements:

- (b) Interest on Loan Capital;
- (c) Depreciation
- (d) Return on Equity;
- (e) Operation and Maintenance expenses; and
- (f) Interest on Working Capital:

(3) The energy (variable) charges shall cover fuel cost.

¹Substituted as per Commission's Notification No. TNERC/TR/5/2-8, dated 31-05-2010 (w.e.f 07-07-2010), which before substitution stood as under :

“(2)In respect of existing Generating Companies covered under Power Purchase Agreement already entered, the tariff and norms shall be as per the terms agreed to.”

37. Norms of Operation

The norms of operation for the Thermal Generating Stations shall be as under:

(i) Target availability for recovery of full capacity (fixed) charges

(a)	All Thermal Generating stations in Tamil Nadu except Ennore Thermal Power Generating Station	80%
(b)	Ennore Thermal Power Generating Station (Till Renovation and Modernization works in all units are completed)	50%
(c)	In respect of Generating Stations of Independent Power Producers As per PPA
(d)	New Thermal Stations	80%

(ii) Target Plant Load Factor for incentive

(a)	All the Thermal Power Generating Stations except the existing Stations of Independent Power Producers covered under Power Purchase Agreements	80%
(b)	Power Generating Stations of Independent Power Producers covered under existing Power Purchase Agreement As per PPA

(iii) Gross Station Heat Rate

(a) 'Norms for the existing Coal-based Thermal Power Generating Stations

<i>Station</i>	<i>Heat Rate</i>
1. ETPS	3200 kcal/kwh
2. TTPS	2453 “
3. MTPS	2500 “
4. NCTPS	2393 “

(b) Norms for the new Thermal Power Generating Stations

	200/210/250 MW sets	500 MW and above sets
During Stabilisation period	2600 KCal/kWh	2550 Kcal/kWh
Subsequent period	2500 KCal/kWh	2450 Kcal/kWh

Note-1 :

In respect of 500 MW and above units where the boiler feed pumps are electrically operated, the heat rate of 40 kCal/kWh shall be reduced from the Generating Station heat rate indicated above.

Note-2 :

For Generating Stations having combination of 200/210/250 MW sets and 500 MW and above sets, the normative gross Generating Station heat rate shall be the weighted average Generating Station heat rate of various sets.

(c) Lignite-fired thermal power Generating Stations

The station heat rate specified in clause (b) above for coal based Thermal Power Generating Station shall be corrected, using multiplying factors as given below:

- (i) For lignite having 50% moisture: Multiplying factor of 1.10
- (ii) For lignite having 40% moisture: Multiplying factor of 1.07
- (iii) For lignite having 30% moisture: Multiplying factor of 1.04

(iv) For other values of moisture content, multiplying factor shall be pro-rated for moisture content between 30-40 and 40-50 depending upon the rated values of multiplying factor for the respective range given under sub-clauses (i) to (iii) above.

(d) Gas-Turbine / combined cycle Generating Stations

	<i>Advanced class machine</i>	<i>E/EA/EC/E2 class machine</i>
Open Cycle	2685 Kcal / kWh	2830 Kcal / kWh
Combined cycle	1850 Kcal/ kWh	1950 Kcal / kWh

(iv) Secondary fuel oil consumption

(a) Coal-based Generating Stations:

During stabilization period	:	4.5 ml/kWh
Subsequent period (except ETPS)	:	2.0 ml/kWh
ETPS	:	12.ml/kWh

(b) Lignite fired Generating Stations:

During stabilization period	:	5.0 ml/kWh
Subsequent period (except ETPS)	:	3.0 ml/kWh

(V) ¹Auxiliary Energy Consumption

(a) Coal – based generating station.

	<u>With cooling Tower</u>	<u>Without cooling tower</u>
(i) 200 MW series	9.00%	8.50%
(ii) 500 MW series		
Steam driven boiler feed pumps	² [7.50%	7.00%
Electrically driven boiler feed pumps	9.00%	8.50%]

(b) Gas-based and Naphtha-based Generating Stations :

- (i) Combined Cycle : 3%
- (ii) Open Cycle : 1%

(c) Lignite fired Thermal Power Station

The auxiliary consumption norms shall be 0.50 percentage point more than the auxiliary energy consumption norms for coal based Generating Stations indicated in a (i) and (ii) above.

¹Substituted as per Commission's Notification No. **TNERC/TR-5/2-3, dated 08-09-2007 (w.e.f. 03-10-2007)**, which before substitution stood as under :

(v) "Auxiliary Energy Consumption

(a) Coal-based Generating Stations:

- (i) With cooling towers** : **9%**
- (ii) Without cooling towers** : **8.5%"**

²Correction for the expression "9.5%" as per Commission's Notification No. **TNERC/TR-5/2-6, dated 26-05-2008.**

(d) During stabilization period, normative auxiliary consumption shall be reckoned at 0.50 percentage point more than the norms indicated at (a), (b) and (c) above.

(vi) Stabilization period

The stabilization period of a unit shall be reckoned commencing from the date of commercial operation of that unit as follows:

- | | |
|--|------------|
| (a) coal-based and lignite-fired Generating Stations | - 180 days |
| (b) Gas turbine / combined Generating Stations | - 90 days |

38. Capital Cost and sale of infirm power

(1) The capital cost of a Generating Company shall be worked out in accordance with the provisions of regulation 18 and 19.

(2) Any revenue other than the recovery of fuel cost earned by the Generating Company from the sale of infirm power shall be taken as reduction in capital cost as provided in regulation 20.

39. SLDC and Transmission Charges

SLDC charges as determined by the Commission and payable by the generating companies shall be considered as expenses. SLDC and Transmission charges paid for the energy sold outside the State shall not be considered as expenses for determining generation tariff.

40. Other Income

Income other than income from sale of electricity shall be grouped as other income.

41. Computation of Capacity (Fixed) Charges

(1) The total annual Fixed Charges of a Generating Company consisting the elements detailed in clause (2) of Regulation 36 shall be worked out on the basis of the principles outlined in Chapter III and also in accordance with the norms allowed in these Regulations.

(2) The annual capacity charges recoverable by the Generating Company shall be worked out by deducting other income as per Regulation 40 from the total annual expenses.

42. Recovery of Capacity Charges

(1) Full capacity charges (Fixed Charges) shall be recoverable at target availability specified in clause (1) of Regulation 37.

(2) Recovery of capacity charges below the level of target availability will be on pro rata basis. At zero availability, no capacity charges shall be payable.

(3) Payment of capacity charges (Fixed Charges) shall be on monthly basis in proportion to allocated / contracted capacity.

(4) Capacity (Fixed) charges per KWh in the month shall be worked out by dividing the capacity charges recoverable for the month by the quantum of ex-bus energy sent out in the month.

43. Energy (Variable) Charges

The energy charges shall cover fuel costs and shall be computed as follows:

(i) **Generating Stations covered under ABT**

The Energy (variable) Charges shall be worked out on the basis of ex-bus energy scheduled to be sent out from the Generating Station as per the following formula:

Energy Charges (Rs) = Rate of Energy Charges in Rs./kWh X
Scheduled Energy (ex-bus) for the month in
kWh corresponding to scheduled generation.

(ii) **Generating Stations other than those covered under ABT**

The Energy (variable) charges shall be worked out on the basis of ex-bus energy delivered / sent out from the Generating Station as per the following formula:

$$\text{Energy Charges (Rs)} = \frac{\text{Rate of Energy Charges in Rs/kWh} \times \text{Energy delivered (ex-bus) for the months in kWh}}{\text{Energy delivered (ex-bus) for the months in kWh}}$$

Where,

Rate of Energy Charges (REC) shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity in Rs./kWh and shall be computed as under:

$$\text{REC} = \frac{100 \{P_p \times (Q_p)_n + P_s \times (Q_s)_n\}}{(100 - \text{AUX}_n)} \quad (\text{Rs./kWh})$$

Where,

- P_p = Price of primary fuel namely coal or Lignite or Gas or liquid fuel in Rs./Kg or Rs./cum or Rs./litre as the case may be.
- $(Q_p)_n$ = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or litre or cum as the case may be, and shall be computed on the basis of Gross station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based Generating Stations) and gross calorific value of coal/lignite or gas or liquid fuel actually fired.
- P_s = Price of Secondary fuel oil in Rs./ml.
- $(Q_s)_n$ = Normative Quantity of Secondary fuel oil/kwh as per clause iv of Regulation 37.
- AUX_n = Normative Auxiliary consumption as percentage of gross generation as per clause v of regulation 37.

(iii) **Adjustment of rate of energy charge (REC) on account of variation in price or heat value of fuels**

(a) Initially, Gross Calorific Value of coal/lignite or gas or liquid fuel shall be taken as per actuals of the preceding three months. Any variation shall be adjusted on a month to month basis on the basis of average Gross Calorific Value of coal/lignite or gas or liquid received and burnt and weighted average landed cost incurred by the Generating Company for procurement of coal/lignite, oil, or gas or liquid fuel, as the case may be for a Power Station.

(b) In its bills, Generating Company shall indicate rate of energy charges at base price of primary and secondary fuel specified by the Commission and the fuel price adjustment to it separately.

(c) No separate petition need to be filed with the Commission for fuel price adjustment.

(iv) **Landed Cost of Coal**

The landed cost of fuel shall include the following:

- (a) Base cost of coal / lignite / oil / naptha / gas
- (b) Royalty
- (c) Tax and duties
- (d) Transport cost by rail / ocean / road / gas pipeline or any other means.

(v) The capacity (fixed) charges per KWh and the energy charges per KWh shall be the generation tariff.

(vi) In respect of power generated in the stations owned by the distribution licensee and distributed by the licensee himself in his area of supply, the generation tariff of the station shall be considered as the transfer price to the distribution licensee which will be determined in the licensee's tariff petition itself.

44. Incentive

Incentive shall be payable at a flat rate of 25 paise / kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to target Plant Load Factor.

45. Unscheduled Interchange (UI) Charges applicable to stations covered under ABT

(1) Variation in actual generation or actual drawal and scheduled generation or scheduled drawal shall be accounted for through Unscheduled Interchange (UI) Charges.

(2) UI for a Generating Station shall be equal to its actual generation minus its scheduled generation.

(3) UI for beneficiary shall be equal to its total actual drawal minus its total scheduled drawal.

(4) UI shall be worked out for each 15 minute time block.

(5) Charges for all UI transactions shall be based on average frequency of the time block and the rates as approved by the Commission from time to time. :

Note :

(1) (i) Any Generation upto 105% of the declared capacity in any time block of 15 minutes and averaging upto 101% of the average declared capacity over a day shall not be construed as foul play, and the generator shall be entitled to UI charges for such excess generation above the scheduled generation (SG).

(ii) For any generation beyond the prescribed limits, the State Load Despatch Centre shall investigate so as to ensure that there is no foul play, and if foul play is found by the State Load Despatch Centre, the corresponding UI charges due to the Generating Station on account of such extra generation shall be reduced to zero and the amount shall be adjusted in UI account of beneficiaries in the ratio of their capacity share in the Generating Station.

46. Rebate

For payment of bills of capacity charges and energy charges through a Letter of Credit, a rebate of 2% shall be allowed. If the payments are made by a mode other than Letter of Credit but within a period of one month of presentation of bills by a Generating Company, a rebate of 1% shall be allowed.

47. Late Payment Surcharge

In case payment of capacity charges and energy charges by the beneficiary is delayed, beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month shall be levied by the Generating Company.

CHAPTER V**Hydro Power Generating Stations****48. Application for determination of tariff**

The provisions of Regulation 35 shall apply *mutatis mutandis*, to an Application for determination of tariff of Hydro Generating Stations.

49. Components of tariff

Tariff for sale of electricity from a Hydro Power Generating Station shall comprise of two parts, namely, the recovery of annual capacity charges and energy charges to be worked out in the manner provided hereinafter.

50. Norms of operation

The norms of operation shall be as follows:—

(1) Normative capacity index for recovery of full capacity charges

(a) During first year of commercial operation of the Generating Station

(i) Purely Run-of-river Power Stations - 85%

(ii) Storage type and Run of river Power Stations with pondage - 80%

(b) After first year of commercial operation of the Generating Station

- | | |
|--|-------|
| (i) Purely Run-of-river Power Stations | - 90% |
| (ii) Storage type and Run-of River Power Stations with pondage | - 85% |

(c) There shall be prorata recovery of capacity charges in case the Generating Station achieves capacity index below the prescribed normative levels. At Zero capacity index, no capacity charges shall be payable to the Generating Station.

(2) Auxiliary Energy Consumption:

- | | | |
|---|---|--------------------------|
| (a) Surface hydro electric Power Generating Stations with rotating exciters mounted on the generator shaft | - | 0.2% of energy generated |
| (b) Surface hydro electric Power Generating Stations with static excitation system | - | 0.5% of energy generated |
| (c) Under ground hydro electric power generating stations with rotating exciters mounted on the generating shafts | - | 0.4% of energy generated |
| (d) Under ground hydro electric power generating stations with static exciters systems | - | 0.7% of energy generated |

(3) Transformation Losses

From generation voltage to transmission voltage - 0.5% of energy generated

51. Capital Cost and sale of infirm power

(1) Capital Cost of Hydro Power Generating Station, including the complete hydro power generating facility covering all components such as dam, intake, water conductor system, power generating station and generating units of the scheme as apportioned to power generation, shall be determined in accordance with Chapter III of these Regulations.

(2) Any revenue earned by the Generating Company from sale of infirm power, shall be taken as reduction in capital cost of the Generating Station and shall not be treated as revenue. The rate for infirm power shall be same as the energy rate of the Generating Stations.

52. SLDC and transmission charges

SLDC charges as determined by the Commission shall be considered as expenses. SLDC and Transmission Charges paid for energy sold under bilateral agreements out side the State shall not be considered as expenses to determine generation tariff.

53. Computation of Annual Energy Charges

(1) The two part tariff for sale of electricity from a hydro power generating station shall comprise a recovery of annual capacity (fixed) charges and primary energy charges.

(2) The annual capacity (fixed) charges shall consist of the following and shall be computed as per the principles in Chapter III.

(a) Interest on Loan Capital

(b) Depreciation

(c) Return on equity

(d) Operation and Maintenance expenses excluding operating expenses like water charges, lubricants, consumables and station supplies.

(e) Interest on Working Capital

(3) Primary Energy Charges shall be the operating expenses like cost of water, lubricants, consumables and station supplies.

54. Energy Rate

Energy charges per kWh shall be arrived at as below:

$$\text{Energy rate} = \frac{\text{Annual Capacity Charges} + \text{Annual Primary Energy Charges}}{\text{Saleable Energy}}$$

55. Incentive

(1) Incentive shall be payable in case of all the Generating Stations, including new Generating Stations in the first year of operation, when the capacity index (CI) exceeds 90% for purely run-of-river power generating stations and 85% for run-of-river power station with pondage or storage type power generating stations and incentive shall accrue upto a maximum capacity index of 100%.

(2) Incentive shall be payable to the Generating Company in accordance with the following formula:

$$\text{Incentive} = 0.65 \times \text{Annual Charge} \times (CI_A - CI_N) / 100$$

(If incentive is negative, it shall be set to zero)

Where, CI_A is the Capacity Index achieved and CI_N is the normative capacity index whose values are 90% for purely run of the river hydro stations and 85% for pondage / storage type hydro Generating Stations.

(3) The total incentive payment calculated on annual basis shall be shared by the beneficiaries based on the allocated capacity.

(4) Incentive for completion of hydro electric power Generating Stations ahead of schedule.

In case of commissioning of a hydro electric power generating station or part thereof ahead of schedule, the Generating Station shall become eligible for incentive for an amount equal to pro rata reduction in interest during construction, achieved on commissioning ahead of the schedule. The incentive shall be recovered through tariff in twelve equal monthly instalments during the first year of operation of the Generating station. In case of delay in commissioning, interest during construction for the period of delay shall not be allowed to be capitalised for determination of tariff, unless the delay is on account of natural calamities or geological surprises.

56. Deemed Generation

(1) In case of reduced generation due to the reasons beyond the control of Generating Company or on account of non-availability of STU's/ transmission licensee's transmission lines or on receipt of backing down instructions from the Sub Load Despatch Centre resulting in spillage of water, the energy equivalent on account of such spillage at the same rate of energy charges shall be payable to the Generating Company. Apportionment of energy charges for such spillage among the beneficiaries shall be in proportion of their shares in saleable capacity of the respective Generating Station.

(2) Energy Charges on the above account shall not be admissible if the energy generated during the year is equal to or more than the design energy.

CHAPTER VI**Transmission Tariff****57. Application for determination of tariff**

The STU / Transmission licensee shall make application for determination of transmission tariff in the manner indicated in regulation 6 along with Aggregate Revenue Requirement.

58. Norms of operation

The norms of operation of transmission system subject to modification thereof from time to time shall be as under:

(a) Auxiliary Power consumption in the sub-station

The charges for auxiliary consumption in the sub-station for the purpose of air conditioning, lighting, technical consumption, etc., shall be considered as part of its normative operation and maintenance expenses.

(b) Target availability for recovery of full transmission charges

The normative availability of transmission system shall be 98%.

59. Transmission Tariff Charges

The tariff for transmission of electricity by a transmission system shall comprise recovery of annual transmission charges consisting of the following computed as per the principles outlined in Chapter III of these Regulations.

- (i) Interest on Loan Capital;
- (ii) Depreciation;
- (iii) Operation and Maintenance Expenses;
- (iv) Interest on Working Capital at normative availability; and
- (v) Return on equity;

The annual transmission charges computed as per this regulation shall be total aggregate revenue requirement of the STU / Transmission licensee. The following shall be deducted from the total revenue requirement.

(a) Transmission charges collected from the short term intra state open access consumers, captive power plant and generating stations using Non Conventional Energy Sources.

(b) Income from other business to the extent of portion to be passed on to the beneficiaries.

(c) Reactive Energy Charges and Transmission charges received from CTU for use of facilities of the licensee / STU.

Till such time a common transmission tariff is evolved to maintain consistency in transmission pricing framework in inter state and in the state transmission system the monthly transmission charges payable by the Distribution licensees and other long term intra state open access consumers shall be based on the capacity allocated to each beneficiaries as detailed below:

$$\left\{ \frac{TC - (a + b + c) \times CL}{12 \times SCL} \right\}$$

Where TC = Annual Transmission Charges

a = Total transmission charges by the short term open access consumers

b = Income from other business to the extent of portion to be passed on to the beneficiaries.

c = Reactive Energy Charges and Transmission charges received from CTU for use of facilities of the licensee / STU

CL = Allotted capacity to the long term transmission customers

SCL= Sum of allotted Transmission capacity to all the long term open access customers of the intra state transmission system.

The transmission charges shall be determined after following the procedure outlined in chapter II.

60. Variable Charges

The transmission loss shall be allocated to the users of the transmission system in proportion to the energy drawn through the system.

61. Payment of transmission charges

Full annual transmission charges shall be recoverable at the target availability of 98%. Payment of transmission charges below the target availability shall be on prorata basis.

62. Unbundling Transmission Charges

(1) The transmission licensee / STU shall endeavour to maintain separate function wise accounts for transmission system and furnish the revenue requirement line wise, bay wise and for load dispatch center wise.

(2) The tariff for the transmission services shall be unbundled to reflect the cost of various activities associated with provision of transmission service once the data as per clause (1) are made available

(3) The components of transmission tariff are:

(a) Charges for use of network

This component of transmission tariff shall be distance sensitive and would reflect cost of capital investment in and maintenance and operation of, a transmission system to transfer bulk power to and from different locations. The revenue from this component of transmission tariff will meet the annual revenue requirement of transmission entity in respect of owning the transmission asset. The charges for use of network would be worked out on distance slabs to reflect the distance travelled by the energy transmitted.

(b) System Operation Charges

This component of transmission tariff shall reflect the cost associated with operating the load dispatch center. The cost, among other things, shall include the cost of owning and maintaining load dispatch center. This system operation charges shall be charged as SLDC charges to users of such services, based on total energy of transactions.

(c) Reactive Power Charges

This component of transmission tariff would be a variable charge reflecting voltage related drawal of reactive power. Reactive power drawals by beneficiaries are to be priced as follows :

- (i) The beneficiary pays for reactive power drawal when voltage at the metering point is below 97%
- (ii) The beneficiary gets paid for reactive power (return) supply when voltage is below 97%
- (iii) The beneficiary gets paid for reactive power drawal when voltage is above 103%
- (iv) The beneficiary pays for reactive power (return) supply when voltage is above 103%
- (v) The charges for reactive energy shall be as decided by the Commission.

63. Incentive

The Transmission licensee shall be entitled to incentive @ 1% of equity for each percentage point of increase in annual availability beyond the target availability prescribed under regulation 58 (b) in accordance with the following formula.

$$\text{Incentive} = \text{Equity} \times (\text{Annual Availability achieved} - \text{Target availability}) / 100$$

The incentive shall be shared by the long term customers in the ratio of their average allotted capacity.

64. Rebate

For payment of bills of transmission charge through Letter of Credit on presentation, a rebate of 2% shall be allowed. Where payments are made within a period of one month of presentation of bills by the Transmission licensee a rebate of 1% shall be allowed.

65. Late Payment Surcharge

In case the payment of bills of the transmission charges by the beneficiary or beneficiaries is delayed beyond a period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month shall be levied by the Transmission licensee.

66. Transmission Charges for Open Access

Under clause (d) of sub-section (2) of section 39 and clause (c) of section 40 of the Act, the STU / Transmission licensee shall provide non-discriminatory open access for use by other licensee, Generating Company or any consumer on payment of transmission charges.

This transmission charges payable for use of the facility under open access shall be as per Regulation 59 with reference to the capacity permitted to be used.

67. Surcharge

The consumer who uses the transmission system under open access is liable to pay a surcharge in addition to the transmission charges as specified in the TNERC Open Access Regulations.

CHAPTER VII

Tariff for Distribution licensees

68. Component of tariff for supply of electricity

(1) The charges for the electricity supplied by the Distribution licensee may include:-

- (a) a fixed charges / Demand Charges;
- (b) Charges for actual electricity supplied;
- (c) a rent or other charge in respect of meter or electrical plant provided by the Distribution licensee;

(2) Rent for meter provided by the licensee and other charges are treated as non-tariff charges and shall be determined by the Commission in accordance with the provision of Tamil Nadu Electricity Supply Code and Tamil Nadu Electricity Distribution Code.

(3) Charges for actual electricity supplied and fixed charges are tariff related charges and the Commission shall determine these charges on an application from the Distribution licensee.

69. Application for determination of tariff

(1) The Distribution licensee shall file application for determination of tariff for retail distribution of electricity along with ARR in accordance with the procedure outlined in regulation 6.

(2) The application for determination of tariff by the Distribution licensee shall be accompanied with following information besides Aggregate Revenue Requirement:-

- (a) A statement showing current tariff and applicable terms and conditions of tariff.
- (b) A statement showing Demand / Sales projection for different categories of consumers including slabwise consumption with a note on the method adopted to arrive at the projected growth rate.
- (c) The Distribution licensee shall furnish the energy requirement detail with Aggregate Technical and Commercial loss and sources of procurement of power.
- (d) A statement containing detail of expected revenue at the current tariff for the ensuing year or the period for which tariff is to be determined and revenue gap, if any to be matched with additional revenue from revised tariff.
- (e) A statement showing cost to serve each category of consumer at different voltage level with the allocation of Transmission and Distribution loss and consumer wise cross subsidy at the existing tariff.
- (f) A statement showing the subsidy received / receivable from Government at the existing tariff.
- (g) A statement showing the changes in tariff proposed for each category of consumer and the estimated revenue at the revised tariff.
- (h) A statement showing cross subsidy at revised tariff and subsidy committed by the Government, if any.
- (i) Any other information that the Commission may require.

70. The Aggregate Revenue Requirement of Distribution licensee

The Aggregate Revenue Requirement of Distribution licensee consists of the following:-

- (i) Cost of Power Purchase
- (ii) Operation and Maintenance expenses
- (iii) Depreciation
- (iv) Interest and cost of finance
- (v) Income Tax
- (vi) Provision for Bad and Doubtful Debts
- (vii) Provision for Insurance
- (viii) Provision for contingency reserve
- (ix) other expenses
- (x) Return on equity / Reasonable rate of return

71. Sales Forecast

(1) The accurate projection of category-wise sales is very essential for the assessment of energy input requirement so as to determine the quantum of generation and quantum of energy to be purchased for the correct assessment of revenue requirement for generation and power purchase.

(2) The Tamil Nadu Electricity Board / Distribution licensee shall formulate the long term demand forecast as stipulated in sub-clause (4) of clause 6 of the Tamil Nadu Electricity Distribution Code and get the forecast approved by the Commission.

(3) The licensee may adopt a suitable methodology like CAGR to arrive at the category wise sales for the base year i.e. for the current year.

(4) The licensee shall forecast demand and sale of electricity for different categories of consumers in his area of supply for ensuing year, and for a period of three years taking into account the long term demand forecast already approved and also subsequent changes in situation, if any. Wherever different rates are proposed for different slabs of consumption, forecast for slabwise consumption shall also be furnished.

(5) The Commission shall examine the forecast for reasonableness based on growth in number of consumers and consumption of electricity in the previous years and anticipated growth in the next year and any other factor that the Commission may consider relevant and approve sale of electricity to consumers with such modification as deemed fit.

(6) The licensee shall also furnish the categorywise open access consumers and the demand and energy wheeled for them. The details may be furnished separately for the supply within the area of supply of the Distribution licensee and to the supply outside the area of supply of the Distribution licensee.

(7) The details of bulk supply of electricity, if any to electricity traders may also be furnished.

72. Monitoring of sale of electricity to consumers

(1) On the basis of approved sale forecast, the licensee shall work out the monthly / bimonthly sales requirement to different categories of consumers taking into account the seasonal variation in demand during the year.

(2) The licensee shall monitor sales to different consumer categories and ensure that sales to any category are not unduly restricted.

(3) The licensee shall make necessary arrangement to capture the data month / bimonthly and furnish reports to the Commission comparing the actual sale with the forecast for the period and reasons for wide variation if any.

(4) The licensee shall inform the Commission any extraordinary variation in sales in any month.

73. Transmission and Distribution Loss

(1) The Distribution licensee shall endeavor to have proper metering arrangements for accurate measurement of transmission loss.

(2) Appropriate sample study with the approval of the Commission shall be conducted to estimate the consumption in unmetered services so that distribution losses are estimated fairly accurate.

(3) The licensee shall compute and furnish loss levels at every supply voltage level.

(4) The Distribution licensee shall furnish the Transmission and Distribution losses during the previous year and the proposed target for the Current and Ensuing Year as well as for the next three years with the details of measures proposed to achieve the target in each year.

(5) The Commission shall fix target for reduction of losses in the next three years.

74. Estimate of Energy input requirement

(1) The Distribution licensee shall compute the quantum of energy to meet the estimated sales after the loss levels are arrived at and taking into account, the generation and auxiliary consumption in Distribution licensees own generating stations at normative PLF levels.

(2) The Commission shall scrutinise and approve the power purchase requirement with modification as deemed fit for the tariff period and ensuing year.

75. Cost of Power Purchase

(1) The Distribution licensee shall procure power on least cost basis and strictly on merit order despatch and shall have flexibility to procure power from any source in the country.

A two-part tariff structure shall be adopted for all long term contracts to facilitate merit order dispatch.

(2) They shall procure power through arrangement other than long term contracts progressively in an increasing proportion.

(3) The cost of power purchased from Central Generating Company shall be worked out based on tariff determined by the Central Electricity Regulatory Commission.

(4) The cost of power purchased from IPPs shall be considered based on Power Purchase Agreement.

(5) In case of power purchased from Captive Generators and other non conventional energy sources, the cost shall be worked out as per the policy approved by the Commission.

(6) The cost of power generated in the Generating Companies / Units owned by the licensee shall be worked out based on the transfer price determined by the Commission.

(7) In case of short term power shortage, the licensee may procure power from any source at a tariff not exceeding the highest rate approved by the Commission.

(8) All power purchases shall be made under tariff based bidding following the guidelines issued except in cases where tariff based bidding may not be cost effective.

²[76. Hydro Balancing Fund

(1) There shall be created a fund called "Hydro Balancing Fund" to take care of any financial loss to the Distribution Licensee (owning Generating Stations including hydro station), on account of increase in quantum of power purchase due to adverse monsoon resulting in reduction in hydro generation.

(2) The average contribution of power by the hydro generations in a normal monsoon year shall be at the overall average Plant Load Factor of 25% and the licensee shall estimate quantum of generation from his hydro stations at 25% PLF of the total installed capacity of all the stations as at 31st March of preceding year.

(3) When the hydro generation in a particular year exceeds 25% PLF, the amount equivalent to the cost of power for such excess hydro generation calculated at the weighted average per unit power purchase cost in that year shall be credited to

¹Substituted for the expression "defective" as per Commission's Notification No. **TNERC/TR/5/2-6, dated 26-05-2008 (w.e.f 25-06-2008).**

²Substituted as per Commission's Notification No. **TNERC/TR/5/2-1, dated 09-05-2006 (w.e.f .07-06-2006), which before substitution stood as under :**

"76. Variation in Power Purchase

(1) **Any financial loss or gain on account of variation in quantum of power purchase for the reasons beyond the control of the licensees like changes in thermal – hydro mix due to natural calamities shall be allowed to be carried forward and adjusted in the next years revenue requirement and tariff allowed accordingly.**

(2) **Any financial gain / loss on account of variation in power purchase not covered under sub clause (1) above shall be to the account of the licensee in the year itself".**

"Hydro Balancing Fund" debiting the A/c provision for Hydro Balancing Fund. This will be in addition to the Hydel Swing Support Scheme, if any sanctioned by the Government.

(4) The Distribution Licensee may either invest the amount in easily convertible Government securities or utilize it as internal resources.

(5) The interest earned on such investments also will have to be credited to the Fund. In case it is utilized as internal resources, a return equivalent to Bank rate notified by Reserve Bank of India shall be credited to the fund.

(6) When the hydro generation in a particular year is less than 25% PLF, the amount equivalent to cost of power for the shortfall in generation calculated at the weighted average per unit power purchase cost in that year shall be transferred from "Hydro Balancing Fund" to the revenue account of the licensee. If the fund is insufficient, it will be adjusted only to the extent of fund availability.

(7) The Distribution Licensee / TNEB shall also draw from the 'Hydel Swing Support Subsidy Fund' maintained by the Government to meet the shortfall if any required.

(8) In case there is still a shortfall left unadjusted as above, such shortfall shall be allowed to be carried forward / to be adjusted in the ensuing years as regulatory asset].

77. Transmission Charges

The transmission and wheeling charges payable by the Distribution licensees to the CTU and STU shall be considered as expenses and included in the power purchase cost.

78. SLDC Charges

SLDC charges if paid separately in addition to charges for usage of Network (instead of bundled transmission charges) shall be considered as expenses and included in power purchase cost for the purpose of determination of tariff.

79. Interest and Finance Charges

The expenses on interest for purpose of annual revenue requirement of the Distribution licensee shall include interest payable on Security Deposit received from the consumer.

80. Computation of Aggregate Revenue Requirement

(1) The total annual expenses and return for the year referred to in Regulation 70 shall be worked out based on guidelines in Chapter III of these regulations.

(2) The aggregate annual revenue requirement of the licensee shall be arrived at after deducting the following from the total expenses:

- (i) Amount of other income including non tariff related charges as per regulation 68(2).
- (ii) Income from surcharge and additional surcharge from open access consumers.
- (iii) Wheeling charges recovered from the open access consumers
- (iv) Authorised portion of Income from other business engaged by the licensees for optimum utilisation of assets.
- (v) Any revenue grant received from Government (other than subsidy)

81. Determination of tariff

The Commission shall determine the tariff for supply of electricity by the Distribution licensee to meet the aggregate revenue requirement after following the procedure mentioned in Chapter II of these Regulations.

82. Tariff Income

Income from supply of electricity to consumers shall be assessed based on the tariff applicable to different category of consumers and the quantity of electricity estimated to be sold to them.

83. Profit sharing

In case, the licensee recovers more income than its aggregate revenue requirement in any year, the Commission may allow the licensee to treat the profit beyond the approved reasonable return, in the following manner:-

(i) One third of the amount may be retained by the licensee to be treated as part of equity or may be paid as dividend to the shareholders.

(ii) One-third amount may be passed on to the consumers by way of reduction in revenue requirement for the next year. In case the Distribution licensee seeks for tariff revision after a gap of more than one year, one third of all the incremental earnings, during such period shall be reduced from future annual revenue requirement.

(iii) One third amount may be kept as tariff balance reserve.

84. Cost of supply to various categories of consumers

(1) The licensee shall conduct a study to work out voltage level cost to serve each category of consumer and furnish the details to the Commission.

(2) The licensee shall furnish the details along with the tariff application as required in regulation 69 (2) and also along with Annual Accounts.

(3) The Commission shall consider and approve the cost to serve with modifications if any required.

(4) The cost to serve a category of consumer and realisation of revenue at the tariff from each category of consumer shall form the basis for estimating the cross subsidy.

85. Cross subsidy, reduction and elimination

(1) The difference between the cost to serve and the revenue realized from the consumer category at the approved tariff level is the cross subsidy. The consumer paying more than the cost to serve is subsidizing consumer and the consumer paying less than the cost to serve is the subsidized consumer.

(2) The Commission may endeavour to hold the tariff of the subsidising categories at the nominal rates until the tariff to subsidized categories approaches the cost to serve such categories.

(3) ¹[The Commission may endeavour to reduce the cross subsidy progressively in accordance with the road map to be notified by the Commission].

(4) In view of the necessity to make electricity affordable for households of very poor category, the domestic consumers including hut dwellers consuming 30 kWh per month may be designated as lifeline categories requiring minimum level of supply. The tariff for such category may be pegged at 50% of the cost to serve the domestic consumers.

(5) However, if the State Government requires grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall pay the amount to compensate the licensee in advance as may be required by the Commission.

86. Wheeling Charges for Open Access Customers

(1) The Distribution licensee shall provide open access to any consumer within the area of his supply on payment of wheeling charges.

(2) The wheeling charges for a consumer category shall be based on costs of Distribution licensee for its pure "wire business". Thus all items of revenue requirement of the Distribution licensee excluding cost of power purchase and interest on Security Deposit from consumers shall be the cost of Distribution licensee for his wire business.

(3) The wheeling charges shall be computed taking into account the projected units sold and wheeled through Distribution System and within the ensuing tariff period.

(4) The normative distribution system loss at the voltage at which the open access transaction is undertaken shall be borne by the consumer in kind.

¹Substituted as per Commission's Notification No. **TNERC/TR/5/2-4, dated 18-12-2007 (w.e.f. 06-02-2008)**, which before substitution stood as under :

"(3). The Commission may endeavour to reduce and eliminate the cross subsidy progressively and the licensee shall prepare a road map towards this object and get it approved".

87. Surcharge

(1) Till such time the cross subsidy is eliminated, the open access consumer shall pay surcharge in addition to the wheeling charges.

(2) The surcharge shall be computed as per TNERC Open Access Regulations.

88. Additional Surcharge

When the Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the Distribution licensee of his area of supply, such consumer shall pay additional surcharge on the charges of wheeling to meet the fixed cost of such distribution licensee arising out of his obligation to supply as specified in the TNERC Open Access Regulations.

**CHAPTER VIII
MISCELLANEOUS**

89. Power to remove difficulty

If any difficulty arises in giving effect to any of these regulations, the Commission, may, of its own motion or otherwise, by an order and after giving a reasonable opportunity to those likely to be affected by such order, make such provisions, not inconsistent with these regulations, as may appear to be necessary for removing difficulties.

90. Power to relax / amend

The Commission, for reasons to be recorded in writing, may vary / amend any of the provisions of these Regulations on its own motion or on an application made before it.

91. Review of Regulations

The Commission shall undertake the comprehensive review of these regulations and the norms prescribed herein with the object of analyzing implementation of long-term principles and making modifications or improvement in the principles, procedures and methodologies.

(By order of the Tamil Nadu Electricity Regulatory Commission)

R.V. RAJAH,
Secretary,
Tamil Nadu Electricity
Regulatory Commission.

Annexure
Depreciation Schedule

Refer to Regulation 24

Description of Assets	Useful Life(yrs)	Rate (Calculated w.r.t. 90%)	
	1	2	3=1*2
A. Land owned under full title	Infinity	—	
B. Land held under lease:			
(a) for investment in land.	The period of lease or the period remaining unexpired on the Assignment of the lease.	—	
(b) for cost of clearing site	The period of lease remaining unexpired at the date of clearing the site.	—	
C. Assets:			
Purchased new :			
(a) Plant and machinery in generating Stations including plant foundations :—			
(i) Hydro-electric	35	2.57	90
(ii) Steam-electric NHRS and Waste Heat Recovery Boilers/Plants	25	3.60	90
(iii) Diesel-electric and Gas plant	15	6.00	90
(b) Cooling towers and circulating water systems	25	3.60	90
(c) Hydraulic works forming Part of hydro-electric system including:—			
(i) Dams, Spillways weirs, Canals reinforced concrete Flumes and siphons	50	1.80	90
(ii) Reinforced concrete pipelines and surge tanks, steel pipelines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works.	35	2.57	90
(d) Building and civil engineering works of a Permanent character, not mentioned above:—			
(i) Offices and showrooms	50	1.80	90
(ii) Containing thermo-electric generating plant	25	3.60	90
(iii) Containing hydro-electric generating plant	35	2.57	90
(iv) Temporary erection such as wooden structures	5	18.00	90
(v) Roads other than kutcha roads	50	1.80	90
(vi) Others	50	1.80	90
(e) Transformers, transformer (Kiosk) sub- station equipment and other fixed apparatus (including plant foundations)			
(i) Transformers (including foundations) having a rating of 100 kilo volt amperes and Over	25	3.60	90

Description of Assets	Useful Life(yrs)	Rate (Calculated w.r.t. 90%)	
(ii) Others	25	3.60	90
(f) Switchgear, including Cable connections	25	3.60	90
(g) Lightning arrestors:			
(i) Station type	25	3.60	90
(ii) Pole type	15	6.00	90
(iii) Synchronous condensor	35	2.57	90
(h) Batteries:	5	18.00	90
(i) Underground Cable Including joint boxes and disconnected boxes	35	2.57	90
(ii) Cable duct system	50	1.80	90
(i) Overhead lines including supports:			
(i) Lines on fabricated steel operating at nominal voltages higher than 66 KV	35	2.57	90
(ii) Lines on steel supports operating at nominal voltages higher than 13.2 Kilo volts but not exceeding 66 Kilo volts	25	3.60	90
(iii) Lines on steel or reinforced concrete supports	25	3.60	90
(iv) Lines on treated wood Supports	25	3.60	90
(j) Meters	15	6.00	90
(k) Self propelled vehicles	5	18.00	90
(l) Air conditioning plants:			
(i) Static	15	6.00	90
(ii) Portable	5	18.00	90
(m) (i) Office furniture and fittings	15	6.00	90
(ii) Office equipments:	15	6.00	90
(iii) Internal wiring including fittings and Apparatus	15	6.00	90
(iv) Street light Fittings	15	6.00	90
(n) Apparatus let on hire:			
(i) Other than motors	5	18.00	90
(ii) Motors	15	6.00	90
(o) Communication equipment:			
(i) Radio and higher frequency carrier system	15	6.00	90
(ii) Telephone lines and Telephones	15	6.00	90
(p) Assets purchased second hand and assets not otherwise provided for in the schedule			Such reasonable period as the competent Government determines in each case having regard to the nature, age and condition of the assets at the time of its acquisition by the owner.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

TAMIL NADU ELECTRICITY REGULATORY COMMISSION (LICENSING) REGULATIONS, 2005

(As amended up to 31-12-2010)

Notification No. TNERC/LR/12/3, Dated 20-01-2010

No. VI(2)/238/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the Tamil Nadu Government Gazette on different dates the following, namely:-

- (1) Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations 2005
(Notification No.TNERC/LR/12/1, Dated 24-06-2005)
- (2) Tamil Nadu Electricity Regulatory Commission (Fees and Fines and Licensing) Amending Regulations 2006(Notification No.TNERC/F&F/4/2-1, Dated 16-11-2006)
- (3) Tamil Nadu Electricity Regulatory Commission (Licensing) (Amendment) Regulations 2007
(Notification No.TNERC/LR/12/2, Dated 04-07-2007)

AND WHEREAS, the Commission considers it necessary that the above Regulations with the amendments incorporated therein should be re-published in the Tamil Nadu Government Gazette so as to afford an effective and efficient upto date information to the public, to enable them to have a better understanding of the said Regulation along with the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005 as amended up to 31-12-2009 in the ensuing Part VI—Section 2 of the Tamil Nadu Government Gazette.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION (LICENSING) REGULATIONS, 2005

Notification No. TNERC/LR/12/1, Dated 24-06-2005

Preamble

No. VI(2)/239/2011.—

Whereas under the Electricity Act 2003, (Central Act 36 of 2003), the State Electricity Regulatory Commission may, on an application made to it, grant a licence to any person to transmit electricity as a transmission licensee; or to distribute electricity as a distribution licensee; or to undertake trading in electricity as an electricity trader in any area as may be specified by the Commission;

And Whereas the State Electricity Regulatory Commission may specify any general and specific conditions, which shall apply either to a licensee or class of licensees and such conditions shall be deemed to be the conditions of such licence;

And Whereas the regulations providing for, among others, the grant of licence, the general or specific conditions applicable to the licensees shall be subject to the condition of previous publication; and accordingly undergone previous publication;

Now, Therefore, in exercise of the powers conferred by section 181 of the Electricity Act 2003 and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations, namely:

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**PROFORMA OF PUBLICATION OF NOTICE OF APPLICATION
FOR GRANT OF LICENCE FOR TRANSMISSION / DISTRIBUTION / TRADING**

**FORM No. 1: APPLICATION FORM FOR A TRANSMISSION
LICENCE IN THE STATE OF TAMIL NADU**

Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

**FORM No. 2: APPLICATION FORM FOR A DISTRIBUTION LICENCE IN
THE STATE OF TAMIL NADU**

Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

**FORM No. 3: APPLICATION FORM FOR A TRADING LICENCE IN THE
STATE OF TAMIL NADU**

Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT

FORM No. 4: AFFIDAVIT

FORM No. 5: FORMAT AND CONDITIONS OF TRANSMISSION LICENCE

SCHEDULE 1

FORM No. 6: FORMAT AND CONDITIONS OF DISTRIBUTION LICENCE

SCHEDULE 1

**FORM No. 7: FORMAT AND CONDITIONS OF LICENCE OF AN
ELECTRICITY TRADER**

SCHEDULE 1

EXTRACTS FROM THE ARBITRATION & CONCILIATION ACT, 1996

1. Short title, Commencement and Extent

- (1) These Regulations may be called the 'Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations, 2005'.
- (2) These Regulations shall come into force on the date of their publication in the *Tamil Nadu Government Gazette*.
- (3) These Regulations extend to the whole of the State of Tamil Nadu.

2. Definitions

- (1) In these Regulations, unless the context otherwise requires:
 - (a) "**Act**" means the Electricity Act, 2003 (Central Act 36 of 2003);
 - (b) "**Applicant**" means a person who has made an application under Section 15 of the Act to transmit electricity as a transmission licensee or distribute electricity as a distribution licensee or to undertake trading in electricity as an electricity trader;
 - (c) "**Agreement**" means the agreement entered into between the licensees including the agreements between generating companies and licensees/consumers and between distribution licensees and consumers;
 - ¹[(ca) "**Associate**", in relation to the applicant, includes a person -
 - (i) who, directly or indirectly, by himself, or in combination with relatives, own or controls shares carrying not less than twenty percent of voting rights of the applicant ; or
 - (ii) in respect of whom the applicant, directly or indirectly, by himself, or in combination with other persons, owns or controls shares carrying not less than twenty percent of the voting rights ; or
 - (iii) majority of the Directors of which, own or control shares carrying not less than twenty percent of the voting rights of the applicant; or
 - (iv) whose Director, officer or employee is also a director, officer or employee of the applicant;]
 - (d) "**Commission**" means the Tamil Nadu Electricity Regulatory Commission.

¹Inserted as per Commission's Notification No.**TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

(e) **“Conduct of Business Regulations”** means the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004, for the time being in force;

(f) **“Consumer”** means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;

(g) **“Designated Officer”** means an officer of the Commission designated for the specific purpose and shall include the Secretary;

(h) **“distribution”** means the conveyance of electricity by means of a Distribution System;

¹[(ha) **“Economic offence”** means an offence to which the Economic Offences (Inapplicability of Limitation) Act, 1974 (12 of 1974), is applicable for the time being;

(hb) **“Fraud”** has the same meaning as is assigned to it by section 17 of the Indian Contract Act, 1872 (9 of 1872);]

(i) **“licence”** means a licence granted under section 14 of the Act;

(j) **“licensee”** means a person who has been granted a licence under section 14 of the Act;

(k) **“licensed business”** means the business of transmission or distribution or trading in electricity in the area as authorised under the licence;

²[(ka) **“Net worth”** means net worth as defined in the Companies Act, 1956 (1 of 1956) as amended from time to time, including re-enactment thereof;]

(l) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;

³[(la) **“Relative”** means a relative as defined in section 6 of the Companies Act, 1956 (1 of 1956);]

(m) **“Secretary”** means the Secretary of the Tamil Nadu Electricity Regulatory Commission;

(n) **“State Load Despatch Centre”** means the centre established under sub-section (1) of section 31;

(o) **“trading”** means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;

(p) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;

(2) Words or expressions occurring in these Regulations and not defined herein but defined in the Electricity Act, 2003 (Act 36 of 2003) or in any other Regulations published by the Commission, shall bear the same meanings assigned to them respectively in the Act and such other Regulations, and as defined and understood in the engineering and commercial circles.

(3) The Conduct of Business Regulations as may be amended from time to time shall, *mutatis mutandis*, as far as practicable and possible, apply to the proceedings under these Regulations.

3. Interpretation

In the interpretation of these Regulations, unless the context otherwise requires, the following provisions shall apply

(1) the original Regulations will be in English and they will be translated in Tamil. In case of difference in interpretation of Regulations in Tamil version, the original Regulation in English version will stand.

(2) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;

(3) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;

(4) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force.

¹Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

²Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

³Inserted as per Commission’s Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

(5) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations.

(6) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be.

(7) Wherever extracts of Electricity Act, 2003 are reproduced, any changes/ amendments to the original Act shall automatically be deemed to be effective under this regulation also.

4. Review

The Commission from time to time may review these Regulations, particularly with the purpose of harmonising the same with the regulation of open access and/or to cater to the needs of developing power markets, in accordance with section 66 of the Act.

5. Provisions of the Act to grant licence

Section 12 of the Act, which deals with the requirement of obtaining licence for transmission, distribution or trading electricity reads as follows:

No person shall-

- (a) transmit electricity; or*
- (b) distribute electricity; or*
- (c) undertake trading in electricity,*

unless he is authorised to do so by a licence issued under section 14, or is exempt under section 13.

Section 13 of the Act, which deals with the power to exempt, reads as follows:

The Appropriate Commission may, on the recommendations, of the Appropriate Government, in accordance with the national policy formulated under section 5 and in public interest, direct, by notification that subject to such conditions and restrictions, if any, and for such period or periods, as may be specified in the notification, the provisions of section 12 shall not apply to any local authority, Panchayat Institution, users' association, co-operative societies, nongovernmental organizations, or franchisees:

Section 14 of the Act, which deals with grant of licence, reads as follows:

The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person –

- (a) to transmit electricity as a transmission licensee; or*
- (b) to distribute electricity as a distribution licensee; or*
- (c) to undertake trading in electricity as an electricity trader,*

in any area which may be specified in the licence:

Provided that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:

Provided further that the Central Transmission Utility or the State Transmission Utility shall be deemed to be a transmission licensee under this Act:

Provided also that in case an Appropriate Government transmits electricity or distributes electricity or undertakes trading in electricity, whether before or after the commencement of this Act, such Government shall be deemed to be a licensee under this Act, but shall not be required to obtain a licence under this Act:

Provided also that the Damodar Valley Corporation, established under sub-section (1) of section 3 of the Damodar Valley Corporation Act, 1948, shall be deemed to be a licensee under this Act but shall not be required to obtain a licence under this Act and the provisions of the Damodar Valley Corporation Act, 1948, (14 of 1948) in so far as they are not inconsistent with the provisions of this Act, shall continue to apply to that Corporation:

Provided also that the Government company or the company referred to in sub-section (2) of section 131 of this Act and the company or companies created in pursuance of the Acts specified in the Schedule, shall be deemed to be a licensee under this Act:

Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (relating to the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:

Provided also that in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply:

Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any licence for such generation and distribution of electricity, but he shall comply with the measures, which may be specified by the Authority under section 53:

Provided also that a distribution licensee shall not require a licence to undertake trading in electricity.

Section 15 of the Act, which deals with procedure for grant of licence, reads as follows:

(1) Every application under section 14 shall be made in such form and in such manner as may be specified by the Appropriate Commission and shall be accompanied by such fee as may be prescribed.

(2) Any person who has made an application for grant of a licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted-

(i) until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it:

Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of the notice as aforesaid;

(ii) until, in the case of an application for a licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission has ascertained that there is no objection to the grant of the licence on the part of the Central Government.

(3) A person intending to act as a transmission licensee shall, immediately on making the application, forward a copy of such application to the Central Transmission Utility or the State Transmission Utility, as the case may be.

(4) The Central Transmission Utility or the State Transmission Utility, as the case may be, shall, within thirty days after the receipt of the copy of the application referred to in sub-section (3), send its recommendations, if any, to the Appropriate Commission:

Provided that such recommendations shall not be binding on the Commission.

(5) Before granting a licence under section 14, the Appropriate Commission shall

(a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;

(b) consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or the State Transmission Utility, as the case may be.

(6) Where a person makes an application under sub-section (1) of section 14 to act as a licensee, the Appropriate Commission shall, as far as practicable, within ninety days after receipt of such application,-

(a) issue a licence subject to the provisions of this Act and the rules and regulations made thereunder; or

(b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force:

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.

(7) The Appropriate Commission shall, immediately after issue of a licence, forward a copy of the licence to the Appropriate Government, Authority, local authority, and to such other person as the Appropriate Commission considers necessary.

(8) A licence shall continue to be in force for a period of twenty-five years unless such licence is revoked.

6. Initiation of Licensing process

(1) The Commission may, if it considers it necessary or on the basis of recommendations from Government / State Transmission Utility (STU) invite applications from the public fulfilling such eligibility requirements as may be stipulated by it from time to time for grant of transmission licence / distribution licence as the case may be, by public notification through issue of advertisements in newspapers, always guaranteeing the principles of transparency.

(2) Suo motu applications for distribution or transmission licence, if received without any specific notifications to this effect by the Commission, shall be considered by the Commission in the following way:

(a) The Commission will satisfy itself that the proposal is technically and otherwise a viable one. It will improve the consumer's interest and also promote competition;

(b) Public will be informed regarding the receipt of such a suo motu application and further applications will be invited from any other interested (parties) persons;

(c) Based on all applications received these regulations along with the procedures laid down will be followed for issue of licence.

7. Application for grant of licence

(1) The application for grant of licence under section 14 of the Act, to transmit electricity or distribute electricity or to undertake trading in electricity shall respectively be in Form No. 1, Form No. 2 and Form No. 3 specified as Annexures 2, 3 and 4 of these regulations and shall be accompanied by the proof of payment of such fees as prescribed by the State Government.

(2) Every application for a licence shall be signed by the applicant or his authorised representative and shall be addressed to the Designated Officer of the Commission. The application shall be filed in five sets or such number of copies as the Commission may direct, and each set shall be accompanied by;

(a) three sets of maps of the proposed area of transmission or distribution. Such maps shall be on a scale of

(i) not less than 10 cm to a km or

(ii) such other scale as may be approved by the Commission in the circumstances of the case.

(b) a list of all local authorities vested with the administration of any or all the portion of the area of transmission or distribution or trading;

(c) an approximate statement describing any lands which the applicant proposes to acquire for the purpose of the licence, under the provisions of the Land Acquisition Act, 1894 (Act 1 of 1894) and the proposed means of such acquisition;

(d) a detailed description of the existing assets if any, in the applicant's proposed area of activity, including the single line diagram of the network as well as an executive summary of the existing facilities, details of other equipments/apparatus in his area including number and details of sub-stations, details of transformers, a description of the metering systems and other relevant details of the system.

(e) an approximate statement of the capital proposed to be expended in the proposed area of activity of the licence and such other particulars as the Commission may require;

(f) a copy of the Memorandum of Association (MoA) and Articles of Association (AoA) of the company where the applicant is a body corporate, Certificate of Incorporation/ Registration, Certificate of commencement of business, details of Income Tax registration or Tax Account Number and similar statutory documents in all cases;

(g) Audited annual accounts for previous five years in case the applicant was in the same business or the project report certified by the chartered accountant;

(h) proof for having paid the application fee;

(i) details and background of the applicant;

(j) such other documents/information as the Commission may, in this regard, require by order.

(k) in case of an applicant seeking a trading licence, volume of power intended to be traded during the first year after grant of licence and the future plans for trading during the next five years.

(3) The application for licence shall be supported by an affidavit in Form No. 4 in the Annexure 5 with these Regulations sworn before Advocate / Notary Public / Magistrate / Gazetted officer.

¹[(4) A person applying for grant of a licence, for distribution of electricity through his own distribution system within the same area of supply of an existing distribution licensee shall, comply with such additional requirements including capital adequacy, credit worthiness or code of conduct as prescribed by the Central Government in Distribution of Electricity Licence (additional requirement of Capital Adequacy, Credit worthiness and Code of Conduct) Rules, 2005 and as amended from time to time.]

(5) Any Person applying for licence to undertake trading in electricity in the State of Tamil Nadu shall duly fulfil the conditions of capital adequacy requirement and credit worthiness as specified under sub-regulation (6) and technical requirement, as stipulated under sub-regulation (7).

(6) Capital adequacy requirement, and creditworthiness of electricity trader:

(a) Having regard to the volume of trading proposed to be undertaken, the networth of an electricity trader at the time of his application shall be as set out in the Table 1 hereunder:-

Table 1 – Net Worth

S. No.	Category	Volume of electricity proposed to be traded (in kWh) per annum	Minimum Networth (in Rs. Crores)
1	A	Less than 50 MU	1
2	B	Greater than 50 MU and equal up to 100	2
3	C	Greater than 100 MU and equal up to 200 MU	4
4	D	Greater than 200 MU and equal up to 300 MU	6
5	E	Greater than 300 MU and equal up to 400 MU	8
6	F	Greater than 400 MU and equal up to 500 MU	10
7	G	Greater than 500 MU	Trade volume (in kWh) x Rs. 0.2

(b) An applicant applying for a trading licence, and if the applicant is a company, the promoters of the company, and if the applicant is a partnership firm, the partners of the firm, shall at no time have been classified as “wilful defaulter” by the Reserve Bank of India or other relevant authority.

(c) If the applicant is a company, which has been rated by a credit rating agency within a period of eighteen (18) months prior to the date of the application for grant of trading licence, it shall have a rating above ‘B’.

(d) Where an applicant has one or more borrowal accounts with a bank (s), all such accounts should be classified as ‘Standard’ by each of its bankers.

(7) Technical requirements of the applicant applying for a licence:

The applicant for a licence shall have:

(a) at least one full-time professional in the relevant discipline with a minimum of twenty years experience to lead the organisation along with sufficient engineering personnel commensurate with the quantum and nature of works involved in the licensed business.

(b) at least one full-time finance/ accounts professional with a minimum of twenty years experience to lead the finance and accounting wing, along with sufficient finance and accounting personnel commensurate with the quantum and nature of works involved in the licensed business.

(c) sufficient skilled staff, including those at the lower levels with adequate qualifications and experience and basic computer awareness, in order to discharge technical / commercial transactions smoothly.

(d) adequate office area with appropriate communication facilities to the satisfaction of the Commission to effectively communicate with the different business associates and regulatory bodies.

(e) to show justification to the satisfaction of the Commission that the technical capability and resources exhibited by the applicant are adequate to manage the licensed business.

¹Substituted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)** which before substitution stood as under:

“A person applying for grant of a licence, for distribution of electricity through his own distribution system within the same area of supply of an existing distribution licensee shall, comply with such additional requirements including capital adequacy, credit worthiness or code of conduct as may be prescribed by the Central Government.”

1[7A. Disqualifications : The applicant shall not be qualified for grant of licence if :

(a) he or any of his partners, or promoters, or Directors or Associates is declared insolvent and has not been discharged ; or

(b) he or any of his partners, or promoters, or Directors or Associates is involved in any legal proceedings, and in the opinion of the Commission grant of licence in the circumstances, may adversely affect the interest of the electricity sector of the consumers; or

(c) he or any of his partners, or promoters, or Directors or Associates has at any time in the past been convicted of an offence involving moral turpitude or any economic offence ; or

(d) an order cancelling the licence of the applicant, or any of his partners, or promoters, or Directors or Associates, has been passed by any Commission on the ground of his indulging in fraudulent and unfair trade practices or market manipulation or activities involving moral turpitude; or

(e) he has in the past been-

(i) refused a licence on the grounds which continue to remain valid ; or

(ii) subjected to any proceedings for contravention of any of the provisions of the Act or the rules or the regulations made thereunder ; or

(f) he is not considered a fit and proper person for the grant of licence for any other reason to be recorded in writing;

Explanation : For the purpose of determining as to whether the applicant is a “fit” and proper person, the Commission may take account of any consideration, as it deems fit, including but not limited to the following, namely:-

(i) financial integrity of the applicant

(ii) his competence

(iii) his reputation and character; and

(iv) his efficiency and honesty.]

8. Receipt and acknowledgement of application

Upon receipt of the application for grant of licence along with the proof of payment of such fees as prescribed by the State Government, the Designated Officer shall enter the particulars in a register to be maintained for the purpose and allot a reference number to the application. The Designated Officer shall then dispatch to the Applicant, at the address stated in the application, an acknowledgement stating the date of receipt and the reference number.

9. Notice of application and contents thereof

(1) (a) ²[The applicant shall, within seven days from the date of the application, publish in two English national daily newspapers, including one economic newspaper and two Tamil daily newspapers having a wide circulation in the area for which the licence is sought, a notice of his application as given in Annexure 1.

Where there is more than one edition of the newspaper (both English and Tamil) in the area for which the licence is applied for, the applicant shall ensure that the notice is published in all such editions.

Provided that the applicant may request the Commission to permit it to refrain from publishing any confidential information in order to protect its business interests or rights in intellectual property and the Commission may grant such request after due consideration.]

¹Inserted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)**

²Substituted as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007 (w.e.f. 25-7-2007)** which before substitution stood as under:

“The applicant shall, within seven days from the date of the application, publish in two English national daily newspapers, including one economic newspaper and two Tamil daily newspapers having a wide circulation in the area for which the licence is sought, a notice of his application as given in Annexure-1.

Provided that the applicant may request the Commission to permit it to refrain from publishing any confidential information in order to protect its business interests or rights in intellectual property and the Commission may grant such request after due consideration.”

(b) The applicant shall endeavour that the notice is published in all the newspapers simultaneously on the same day. However, in case the notice is published on different days in different newspapers, the date last published will be deemed to be the date of publication of the notice.

(c) Unless otherwise specified by the Commission, the notice shall be published in at least two successive issues of the dailies.

(2) The applicant shall post complete application along with annexures and enclosures in his own website or any other authorised website to facilitate access to the application by any person through internet. The application with enclosures shall also be submitted to the Commission in a compact disk (CD).

(3) Applicants for grant of transmission licence are required to forward a copy of such application to the State Transmission Utility for recommendation.

(4) In addition to the above, the Commission may direct that notice of the application be served on any designated representative of the Central Government, the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.

(5) The Applicant shall within seven days from the date of publication of the notice as aforesaid submit to the Commission on an affidavit the details of the notice published and shall also file with the Commission relevant copies of the newspapers in which the notice is published.

(6) The applicant shall make sufficient number of copies of application available for inspection by any person.

10. Objections and Suggestions

(1) Any Person intending to object to the grant of the licence shall file objections by way of affidavit within thirty days from the date of publication of the notice referred to in Regulation 9(1)(a) annexing thereto proof of having served copy of such objections upon the Applicant. The objections shall be addressed to the Designated Officer. Upon receipt of such objections, the Designated Officer shall imprint the reference number of the concerned licence application on the same and shall file such objections in the file relating to the concerned licence.

(2) The Designated Officer shall serve a copy of all the objections received by him on the applicant within one week of its receipt.

(3) The applicant may file his comments on the objections or suggestions received in response to the notice within fifteen (15) days of receipt of the objections from the Designated Officer.

(4) The State Transmission Utility shall, within thirty days from the date of receipt of the copy of the application, send its recommendations, if any, to the Commission.

Provided such recommendations shall not be binding on the Commission.

11. Verification of objections

Where the application is for grant of licence for an area, which includes the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of Government for defence purposes, the licence shall be granted by the Commission only after ascertaining that there is no objection to the grant of licence on the part of the Central Government.

12. Local inquiries and Hearings

(1) Upon compliance by the applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and upon the expiry of the time for receiving objections, the Commission may consider the application for grant of licence through a hearing or without hearing process as it considers appropriate.

(2) (a) If any person objects to the grant of a licence applied for under the Act the Commission may, if it considers necessary, cause a local inquiry to be held for which the notice in writing shall be given to both the applicant and the objector.

(b) Where a local inquiry is ordered and held under clause (a) above, the Commission shall, in its order requiring the local inquiry, or by further order in writing, specify the time within which the local inquiry is to be completed.

Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local inquiry.

(c) In case such local inquiry is ordered and conducted, a memorandum of the results of the local inquiry made shall be prepared and shall be signed by the applicant, the Designated Officer and such other person as the Commission may direct.

(d) The Commission while hearing the application for the grant of licence shall consider the results of the local inquiry.

(3) The Commission on deciding to follow a public hearing process shall thereafter proceed as far as possible in the same manner as provided in Chapter II of the Conduct of Business Regulations.

(4) The Commission shall give the notice of hearing to the applicant, the Central Government, the State Government and such other authority, person or body as the Commission considers appropriate.

(5) The Commission may determine the manner, the place, the date and the time of the hearing on the application.

13. Notification of proposal to grant licence

Before granting a licence under section 14, the Commission shall publish a notice in two daily newspapers, including one economic newspaper and one Tamil daily having wide circulation in the area for which the licence is sought, stating the name of the person to whom it proposes to issue the licence;

14. Grant of licence

(1) The Commission shall, as far as practicable, within ninety days after receipt of such application,-

(a) issue a licence subject to the provisions of this Act and the rules and Regulations made thereunder after taking all objections/suggestions into consideration; or

(b) reject the application for reasons to be recorded in writing if such application does not conform to the provisions of this Act or the rules and regulations made thereunder or the provisions of any other law for the time being in force.

Provided that application shall be rejected unless the applicant is given an opportunity of being heard.

(2) After issue of licence, the Commission shall forward a copy of the licence to the Government of Tamil Nadu, Central Electricity Authority, local authority and to such other person the Commission may consider it appropriate.

15. Format and Date of commencement of Licence and the conditions of the licence

(1) The licence shall commence from such date as the Commission may specify as the date of commencement of licence.

(2) The format and conditions of licence applicable to a transmission licensee, including any person who is a deemed transmission licensee, under section 14 of the Act, shall be as specified in Form No.5 in the Annexure 6 to these Regulations.

(3) The format and conditions of licence applicable to a distribution licensee, including any person who is a deemed distribution licensee, under section 14 of the Act, shall be as specified in Form No.6 in the Annexure 7 to these Regulations.

(4) The format and conditions of licence applicable to any person undertaking trading of electricity shall be as specified in Form No. 7 in the Annexure 8 to these Regulations.

16. Amendment of licence

(1) The terms and conditions of the licensee may be modified by the Commission in public interest or otherwise on an application made by the licensee.

(2) The procedure specified in Regulation 7 shall mutatis mutandis be applicable in case of licensee making an application for any alteration of or modification to, the terms and conditions of the licence. The notice shall contain the details of amendment / alteration / modification and the reasons thereof.

(3) Where any alterations or amendments in a licence are proposed to be made otherwise than on the application of the licensee, the Commission shall publish the proposed alterations or amendments with such particulars the Commission deems necessary in two English dailies and two Tamil dailies circulating in the Licensee's area of activity.

17. Compliance of Codes and Regulations

The licensees shall comply with all these regulations, conditions of licence, provisions of the Act, rules and provisions in the Tamil Nadu Electricity Grid Code, Tamil Nadu Electricity Supply Code, Tamil Nadu Electricity Distribution Code, Tamil Nadu Electricity Distribution Standards of Performance Regulations and any other codes or regulations in force.

18. Duration

(1) The licence shall be valid for a period of twenty-five years from the date of its commencement unless it is revoked by the Commission.

Provided that at the expiry of the term, the Commission may at its discretion and considering the interest of the public and after giving any member of the public an opportunity to file his objections, if any, extend the licence for such further period, with or without any modification of licence as the Commission may deem fit.

(2) Unless otherwise specified in writing by the Commission, the procedure for grant of licence shall be followed while dealing with an application for extension of the duration of a licence.

19. Deposit of printed copies of licence

(1) Every person who is granted a licence shall within thirty days of the grant thereof arrange to keep the following as specified by Central Electricity Authority.

(a) adequate number of copies of the licence printed;

(b) adequate number of maps prepared showing the area of activity or area of supply as specified in the licence;

(c) a copy of such licence and maps for public inspection at all reasonable times at his head office, at his local offices (if any) and at the office of every local authority within the area of activity or area of supply as the case may be.

(2) Every such licensee shall, within the aforesaid period of thirty days, supply free of charge one copy of the licence and the relevant maps to every local authority within the area of activity or area of supply as the case may be, and shall also make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same, at a price not exceeding normal photocopying charges per copy.

20. Revocation

The revocation of the licence shall be as stipulated under section 19 of the Act, which reads as follows:

(1) *If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:-*

(a) *where the licensee in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or rules or regulations made thereunder;*

(b) *where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;*

(c) *where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor-*

(i) *to show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or*

(ii) *to make the deposits or furnish the security, or pay the fees or other charges required by his licence;*

(d) *where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.*

(2) *Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.*

(3) *No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months notice in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.*

(4) *The Appropriate Commission may, instead of revoking the licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.*

(5) *Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.*

(6) *Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceedings which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by the Commission for grant of licence.*

21. Settlement of Disputes

(1) The Commission shall adjudicate upon the disputes between the licensees and generating companies or refer any dispute for arbitration on the application of any of the licensees or the generating companies concerned.

(2) The Commission shall issue notice to the concerned licensees and generating companies to show cause as to why the disputes between them or the matters as specified in the notice should not be adjudicated and settled through arbitration.

(3) The Commission may after hearing the concerned licensees and the generating companies to whom notices have been issued and if satisfied that no reason or cause has been shown against the proposed arbitration, pass an order directing that the matter be referred for adjudication or settlement through arbitration.

22. Nomination of Arbitrators

(1) If the Commission decides to refer the matter to arbitration by a person or persons other than the Commission, the reference shall be:

(a) to sole arbitrator if the parties to the dispute agree on the name of the arbitrator; or

(b) if the parties are unable to agree on the name of the sole arbitrator to be designated by the Commission, the Commission may direct referral of the dispute to three arbitrators taking into account the nature of the dispute and the value involved. In such an event, one arbitrator shall be nominated by each of the parties to the dispute and the third by the Commission:

Provided that if any of the parties fails to nominate the arbitrator or if any of the arbitrators nominated by the parties or the Commission, fails or neglects to act or continue as arbitrator, the Commission shall be entitled to nominate any other person in his place.

(2) The Commission shall not nominate a person as arbitrator to whose nomination any of the licensee or generating companies or other concerned in the arbitration has a reasonable objection on grounds of possible bias or similar such reasons and the Commission considers the objection to be valid and justified.

23. Procedure for adjudication, settlement and passing of award

(1) The procedure to be followed for the arbitration, whether by the Commission itself or by any arbitrator or arbitrators nominated by it shall be as far as possible the same as in the case of hearing before the Commission as provided for in Chapter II of the Conduct of Business Regulations.

(2) The Arbitrator or arbitrators nominated by the Commission after hearing the parties shall pass a speaking award giving reasons for the decision on all issues arising for adjudication and forward the award to the Commission within such time as the Commission may stipulate.

(3) The Commission shall give notice of the award given by the arbitrator or arbitrators appointed by the Commission to the parties concerned and shall give an opportunity to the parties to file objection to the award and reply to the objections within such time as the Commission may direct.

(4) The Commission shall be entitled to pass appropriate orders, as it thinks fit after giving an opportunity of hearing to the parties.

24. Cost of arbitration and proceedings

The cost of the arbitration and proceedings before the Commission shall be borne by such parties and in such sums as the Commission may direct.

25. Financial implication and proportion of revenue from other business

(1) The transmission / distribution licensee may engage, with prior intimation to the Commission, in any other business **for optimum utilisation of its assets** under the licensed business

(2) The transmission / distribution licensee engaging in other business, shall pay to the licensed business at least 50% of its profits earned out of such other business by using this asset, which shall be utilised for reducing the charges for transmission, or wheeling or distribution of electricity

(3) The transmission / distribution licensee engaging in other business, shall not in any manner utilize the assets and facilities of the licensed business or otherwise directly or indirectly allow its other business to be undertaken in a manner that results in the licensed business subsidising its other business.

(4) The transmission / distribution licensee engaging in other business, shall not in any manner, directly or indirectly encumber the assets and facilities of the licensed business for the other business or for any activities other than the licensed business.

(5) The other business carried out by optimally utilising the assets covered under the licence, shall not in any way affect or likely to affect the quality of supply and also quality of service rendered.

26. Minimum information to be maintained by the Licensee

(1) The licensee shall at all times maintain minimum information as detailed in the following sub-clauses to enable any Investigating Authority to accomplish its investigation directed to by the Commission under section 128 of the Act:

(a) Maintenance of separate accounts for other business to ensure that the licensed business does not subsidise the other business;

(b) Records to show that the assets of the licensed business is not encumbered to support other business;

(c) Information on revenue from other business allocated to licensed business;

(d) Approval of Commission, if any, on assignment of licence, transfer of assets, acquisition of utility of other licensee within the same State;

(e) Quantum of compensation paid automatically and on claim for failure to achieve each of the standards of performance prescribed;

(f) Details of accidents and major incidents occurred in the area of activity;

(g) Books of accounts with subsidiary ledgers to verify the billing and collection of the charges at the rates approved by the Commission; and

(h) Registers showing the number of complaints/grievances received and disposed of and the details of awards by Ombudsman.

(2) The information thus maintained shall be verified, validated and updated regularly by the licensee.

(3) The transmission licensee shall at all times maintain, updated information on operational details specified herein in the manner as may be required under the Tamil Nadu Electricity Grid Code, of its licensed business.

(a) Sub-station details (*incomer source, outgoing feeder, transformation capacity, Current Transformer, Potential Transformers, etc*), single line diagrams (*showing lines [incl. line length, conductor size], transformers, feeders, etc.*), metering systems and status

(b) Details of interface points, metering points and status of meters.

(c) Peak Demand (*un-restricted and restricted*), Peak Availability, etc.

(d) Performance details as against the standards specified by the Commission, in the area of connectivity, quality of supply (*voltage, frequency, interruptions [duration and numbers]*), system outage (*planned and unplanned*), energy received, transmitted and system losses, etc.

(e) Connection capacity information.

(f) Details of protection systems.

(4) The distribution licensee shall at all times maintain, updated information on operational details specified herein in the manner as may be required under the Tamil Nadu Electricity Distribution Code and the Tamil Nadu Electricity Supply Code, of its licensed business.

(a) Sub-station details (*incomer, source, outgoing feeder, distribution transformer capacity, Current Transformer, Potential Transformers, etc*), single line diagrams (*showing lines [incl. line length, conductor size], transformers, feeders, etc.*), metering systems and status.

(b) Details of interface points, metering points and status of meters.

(c) Peak Demand (*un-restricted and restricted*), Peak Availability, availability of system capacity to allow open access, etc.

(d) Performance details as against the standards specified by the Commission, with reference to Quality of Supply (*voltage, frequency, interruptions [duration and numbers]*), System Outage (*planned and unplanned*), energy received, transmitted and system losses, etc.

(e) Records of application requiring supply (status and connection details)

(f) Billing (*records of meter reading, copies of bills generated, evidence of issuance of bills, records with billing details, etc.*), Collection (*details of collection, copies of bill receipts, etc.*), details of disconnection (*evidences of issuance of notice, effecting of disconnection, etc.*).

(5) The trading licensee shall at all times maintain, updated information on operational details specified herein in the manner appropriate, of its licensed business.

(a) Details of the various Agreements including billing and settlement agreement;

(b) Quantum electricity traded and the source thereof;

(c) Details of beneficiaries of trade;

(d) Details of any default in supply; and

(e) Details of disputes in bills.

27. Notice of acquisition or merger of any utility of Licensee with that of any other Licensee

(1) For purpose of securing the prior approval in terms of section 17 of the Act, the Commission shall require the applicant to first publish the brief particulars of his application in two English dailies and two Tamil dailies circulating in the area to which the proposed acquisition relates. The Commission would consider all objections received within thirty days of the date of publication of the notice before granting or refusing the approval sought.

(2) The procedure in the Conduct of Business Regulations shall as far as practicable apply to proceedings under sub-regulation (1).

28. Regulation of Licensee's purchase of power

(1) The licensee shall file with the Commission, complete copies of all power purchase agreements already entered into by it.

(2) The licensee shall establish to the satisfaction of the Commission that the purchase of power by the licensee is under a transparent procurement process and is economical and the power purchased is necessary for the licensee to meet its service obligation, and the licensee shall produce all necessary documentary and other evidence to satisfy the Commission of the same.

(3) As far as possible power procurement shall be through a transparent competitive bidding mechanism in accordance with guidelines issued by the Central Government.

(4) The licensee shall purchase power from renewable energy sources as directed to by the policy on purchase of power from renewable energy sources and cogeneration in Tamil Nadu.

29. Saving of inherent power of the Commission

(1) Nothing in these regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

(2) Nothing in these regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.

(3) Nothing in these regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Act for which no Regulation have been framed, and the Commission may deal with such matters with powers and functions in a manner it thinks fit.

30. General power to amend

The Commission may, at any time and on such terms as to costs or otherwise, as it may think fit, amend any defect or error in any proceeding before it, and all necessary amendments shall be made for the purpose of determining the real question or issue arising in the proceedings.

31. Power to remove difficulties

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, take action, for removing the same, consistent with the provisions of the Act.

32. Power to dispense with the requirement of these Regulations

The Commission shall have the power, for reasons to be recorded in writing to dispense with the requirements of any of these regulations in a specific case or cases and such cases shall be made known to public.

33. Extension or abridgment of time prescribed

Subject to the provisions of the Act, the time prescribed by these regulations or by order of the Commission for doing any act may be extended (whether it has already expired or not) or abridged for sufficient reason by order of the Commission.

34. Effect of non-compliance

Failure to comply with any requirement of these regulations shall not invalidate any proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

35. Enforcement of order passed by the Commission

(1) When the Commission is satisfied that a licensee has failed to comply with any of the conditions of the licence or provisions of the Act or codes or regulations, it may direct an investigation into the affairs of the licensee at the cost of the licensee.

(2) The investigating authority shall conduct the investigation in accordance with the provisions of section 128 of the Act.

(3) On receipt of investigation report from the investigating authority, the Commission may in accordance with the provisions of the Act and giving such opportunities to the licensee to make representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-

(a) Require the licensee to take such action in respect of any matter arising out of the report as the Commission may think fit;

(b) Cancel the licence or suspend in the case of distribution licensee

(4) The Commission may also, after giving reasonable notice to the licensee publish the report submitted by the investigating authority.

(5) The Secretary shall ensure enforcement and compliance of the orders passed by the Commission, as directed to under the Conduct of Business Regulations and in accordance with the provisions of section 129 of the Act.

36. Service and publication of notice

1. When the Commission is satisfied, based on the materials in its possession, that the licensee is contravening or likely to contravene any of the conditions for grant of licence or grant of exemption or has contravened or likely to contravene any of the provisions of the Act, it shall by an order give necessary directions to secure compliance with that condition or provision duly taking into account the loss or damage to any person consequent to such contravention and after giving notice to the licensee.

2. The notice shall be served to the address of the licensee by Registered Post with Acknowledgement Due or through Special Messenger and signed acknowledgement receipt obtained.

3. In case the premise is found locked it shall be served by affixing the notice on the conspicuous part of the premises.

4. The notice shall also be published in two English and one Tamil newspaper having wide circulation in the licensee's area of activities.

37. Cognizance of offence

No court shall take cognizance of an offence punishable under the Act except upon a complaint, in writing, made by the Commission or by any other officer duly authorised by the Commission for this purpose.

(By Order of Tamil Nadu Electricity Regulatory Commission)

R. BALASUBRAMANIAN,
Secretary
Tamil Nadu Electricity Regulatory Commission.

Annexure 1**PROFORMA OF PUBLICATION OF NOTICE OF APPLICATION FOR GRANT OF LICENCE FOR TRANSMISSION/
DISTRIBUTION/ TRADING**

[See Regulation 9(1)(a)]

¹[Name and address of the applicant**Notice under Regulation (9) (1) (a) of Tamil Nadu Electricity (Licensing) Regulation]**

Notice is hereby given to all the interested persons that We, Messrs. (name and address of the Applicant) have applied to the Tamil Nadu Electricity Regulatory Commission (the Commission) for grant of licence to or amendment to the conditions of licence (nature of the licence) in the area (specify the area of activity). The application and other documents filed by us can be inspected at our office of (address of the Applicant's office) and the copies of the same will be available from us for Rs. ...(for a price not exceeding the normal photocopy charges).The complete application is available in our website

Any person who has objection to or otherwise for grant of licence may forward the objection/representation to the Commission's office situated at(address) in copies by hand delivery or by registered post and should serve a copy of the objection/representation to us. at the address mentioned above.

GENERAL INFORMATION OF APPLICANT**1. Details of Applicant**

- a. Full Name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation & Address of the Contact Person :
- d. Contact Telephone Numbers :
Fax Number(s) :
Email ID :

2. Details of Ownership

- (a) Company/ Firm/ Association of persons/ Co-operative Society/ Others (specify)
- (b) Company Incorporation/ Registration
Place of Incorporation/ Registration :
Year of Incorporation :
Registration Number :
- (c) Name and Address of Directors/ Principal Shareholders/ Partners/ Members

3. Area of Activity**4. Volume of Business for five years**

In case of notice of application for amendment to the conditions of licence, the details of amendments sought for and the reasons therefore shall be furnished in the notice.

The person filing the objection/ representation should give the following particulars

- 1. Name and full address
- 2. Grounds/reasons in support of the objection/representation together with documents or evidence, if available
- 3. Whether he wishes to be heard in person or through authorised representative at the time of hearing.
- 4. An affidavit for verification of information.

¹Substituted for the expression "**NOTICE**" as per Commission's Notification No. **TNERC/LR/12/2, dated 4-7-2007** (w.e.f. **25-7-2007**)

Annexure 2

FORM No.1: APPLICATION FORM FOR A TRANSMISSION LICENCE IN THE STATE OF TAMIL NADU

[See Regulation 7(1)]

PART A : GENERAL INFORMATION OF APPLICANT

1. Details of Applicant

- (a) Full Name of the Applicant :
- (b) Full Address of the Applicant :
- (c) Name, Designation and Address of the Contact Person :
- (d) Contact Telephone Numbers :
 Fax Number(s) :
 Email ID :

2. Details of Ownership

- (a) Company/ Firm/ Association of persons/ Co-operative Society/ Others (specify)
- (b) Company Incorporation/ Registration
 Place of Incorporation/ Registration :
 Year of Incorporation :
 Registration Number :
- (c) Name & Address of Directors/ Principal Shareholders/ Partners/ Members

3. Details of the area and transmission network for which transmission licence has been sought:

- a. Boundaries of the proposed area of transmission
- b. Coverage of transmission network
- c. Voltage Class of Line
- d. Length of Line (Ckt. Kms)
- e. Circuit (Single/ Double)
- f. Location of the Substation
- g. Voltage Level (s) of Substation
- h. Transformer (Nos. & Capacity in MVA)
- i. Shunt Reactor (Nos. & Capacity in MVAR)
- j. Static Var Compensator (Nos. & Capacity in MVAR)
- k. Number of Bays

4. Organisational Capabilities

- (a) Management capability
- (b) Financial Strength
- (c) Ability to discharge transmission activities in a sustainable manner

5. Whether the area of activity falls under cantonment/ aerodrome/ fortress/ arsenal/ dockyard/ camp or place for the occupation of the Government for defence purpose.

6. Date from which licence is sought

PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION

1. Documents (attested copies) to be submitted along with the licence application
 - (a) Information relating to pre-existing licence (if any), with copy of licence/sanction
 - (b) Certificate of Incorporation/ Registration.
 - (c) Certificate of commencement of Business.
 - (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
 - (e) Articles of Association, Memorandum of Association and similar constitutional documents.
 - (f) Income Tax - PAN/TAN.
 - (g) Details of import licence, if any.
2. Data relating to Management and Financial capability
 - (a) Managerial
 - (i) Senior management's curriculum vitae
 - (ii) Cadre strength for different categories (technical and non-technical)
 - (b) Financial
 - (i) Bank references asserting that the Applicant is financially solvent
 - (ii) Audited Annual Accounts for the past 5 years for the Applicant
 - (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.
 - (d) Data relating to the Applicant's Proposed Business.
 - (e) Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise load growth, year wise transmission loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).
 - (f) Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)
3. Detailed Map
 - a. Detailed electrical transmission map (including information on substations and configuration of the system).
 - b. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence.
 - c. A list of all local authorities vested with the administration of any portion of the area of transmission.
4. An approximate Statement describing any lands, which the Applicant proposes to acquire for the purpose of the licence and the means of such acquisition.

Date:

Signature of the Applicant.

PART C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT*(This form to be filled by an Applicant applying for a transmission licence)***1. Previous Experience (Past 5 years details of Related Business)***[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]*

General Information					
Name and Address of the Transmission/Distribution project developed					
Brief description of project developed					
Participation Status of the applicant on the above projects					
Cost of the project (s) developed – Rs. Lakhs.					
Name and Address of the Client company for whom the project were developed					
Name, Designation & Address of Reference person of Client Company					
<i>Details of Transmission/ Distribution project (s) managed in the last 5 years – Commercial Operations</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Asset Base Transformers (Nos.) 1 MVA 2 MVA 3 MVA 4 MVA 5 MVA Others (<i>specify</i>) HT Line (Ckt. Kms) 400 kV 220 kV 110 kV 66 kV Others (<i>specify</i>) Shunt Reactor (Nos. and Capacity in MVA) Static Var Compensator (Nos. & Capacity in MVAR) Number of Bays					
Number of Contracts with details Transmission Domestic International Distribution Domestic International					

Specific details of Projects (Top 5 Projects)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)	(Name of the Project)
Timelines Commencement of Construction Scheduled Date Actual Date Commissioning Scheduled Date Actual Date Commercial Operations Scheduled Date Actual Date Project Cost Estimated Cost Actual Cost on Completion					
<i>Financial Information (Rs. Lakhs)</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Inst. Public Others (<i>specify</i>)					
Liabilities Long Term Short Term					
Income Transmission Service Distribution Service Others (<i>specify</i>)					
Expenses Admin. & General Expense Repairs & Maintenance Employee Cost Interest & Financial Charges Long Term Short Term Others (<i>specify</i>)					
Profits and Returns Net Profits Dividends Paid					

We hereby certify that we are a Power Utility owning & maintaining transmission lines of 66 kV or higher voltage level. Details of all the transmission lines & sub-stations of 66 kV or higher voltage level owned and maintained by us are given below (As applicable):

Name of the Sub-station	Voltage level Sub-station	Name of the Line(s)	Voltage level of the Line	Circuit (S/C or D/C)	Length of the Line(s) Ckt. Kms.	No. of Transformer, Bays, Reactors etc.,	Capacity of Transformers/ Reactors (MVA/ MVAR)	State/ Country where located.
1.								
2.								
3.								
4.								
5.								

2. DETAILS OF PROPOSED PROJECT (BUSINESS FOR WHICH LICENCE IS SOUGHT)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

- (i) Is the applicant acquiring Existing Assets or Creating New Assets?
(ii) For Applicants acquiring Existing Assets or Creating New Assets

Funding

Proposed means of Finance	
Equity (Rs. Lakhs)	
Applicant	
Co-promoters	
Others (specify)	
Debt	
Domestic (Rs. Lakhs)	
Indian Financial Institutions	
Commercial Banks	
Others (specify)	
International (FC Million)	
Supplier's Credit	
Direct Borrowing	
Others (specify)	
Equivalent INR (with Exchange rate used)	
Others (specify)	

In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency	
<p>Name and Address of the Agency, and contact details of the reference person of the Agency (<i>name, address, telephone/fax numbers, email, etc.</i>)</p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Currency in which Equity is proposed</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement/Project</p> <p>Details of Lenders (<i>name and address</i>).</p> <p>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought for the loans from any agency.</p> <p>If Yes, provide details</p>	Yes/No
(iii) For Applicants creating New Assets	
<p>EPC</p> <p>Whether the Applicant is proposing to employ an EPC Contractor.</p> <p>If Yes, Name, Address and contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	Yes/No
(iv) For Applicants employing other contractors	
<p>Other Contracts</p> <p>Whether the Applicant is proposing to employ any Contractor(s) for Operation and Maintenance work.</p> <p>If Yes, Name, Address & contact details of the same.</p> <p>Period of the Contract</p> <p>Details of the experience of the O&M contractor in similar business(es)</p>	Yes/No

Note :

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.
2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission

3. Appropriate Expertise (Personnel)

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm
1.				
2.				
3.				
4.				
5.				

Note : Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance, should be part of the Core team.

4. Revenue Potential (Business for which licence is sought)

<p>General Information</p> <p>In case of acquired assets</p> <p>Quantum transmitted during previous financial year (MU)</p> <p>Expected life of assets acquired (in years)</p> <p>In case of construction of new Assets</p> <p>Quantum transmitted during previous financial year on parallel network already existing (MU)</p>	
<p>Transmission of Electricity</p> <p>Expected Quantum (MU)</p> <p>Anticipated growth in demand (%)</p>	
<p>Commercial / Financial Information</p> <p>Prevailing Transmission Tariff (Rs./ Unit)</p> <p>Estimated Revenue (Rs. Lakhs)</p> <p>Capital Base (Rs. Lakhs)</p> <p>Estimated Annual Turnover (Rs. Lakhs)</p>	

5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

General Information	
Names of Subsidiary Business Units	Products Manufactured/Services
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

Financial Indicators	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Institutions Public Others (<i>specify</i>)					
Liabilities Long Term Short Term					
Income Sale of Power Others (<i>specify</i>) Expenses Administration and General					
Expense Repairs and Maintenance Employee Cost Interest & Financial Charges Long Term Short Term Others (<i>specify</i>)					
Financial Indicators	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Overall Turnover (Rs. Lakhs)					
Profits and Returns (Rs. Lakhs) Net Profits Dividends Paid					
Operating Ratios Return on Equity Return on Capital Employed Return on Net Fixed Assets					
Liquidity Ratio Debt Service Coverage Ratio Current Ratio Quick Ratio					
Capital Adequacy and Credit worthiness Debt/Networth Debt/Equity					
Turnover Ratio Total Asset Turnover Fixed Asset Turnover					

6. Baseline Information (Business for which licence is sought)

<p>General Information</p> <p>Assets</p> <p>Transformers (Nos.)</p> <p> 1 MVA</p> <p> 2 MVA</p> <p> 3 MVA</p> <p> 4 MVA</p> <p> 5 MVA</p> <p> Others (<i>specify</i>)</p> <p>HT Line (Ckt. Kms)</p> <p> 400 kV</p> <p> 220 kV</p> <p> 110 kV</p> <p> 66 kV</p> <p> Others (<i>specify</i>)</p> <p> Shunt Reactor (Nos. and Capacity in MVA)</p> <p>Static Var Compensator (Nos. and Capacity in MVAR)</p> <p>Number of Bays</p>	
<p>Commercial Information</p>	
<p>Metering Points and Status</p> <p> Generation to Transmission (G-T) Interconnection Point Total</p> <p> Interconnection Points</p> <p> No. of points with ToD meters</p> <p> No. of points un-metered</p> <p> Transmission to Transmission (T-T) Interconnection Point Total</p> <p> Interconnection Points</p> <p> No. of points with ToD meters</p> <p> No. of points un-metered</p> <p> Transmission to Distribution (T-D) Interconnection Point</p> <p> Total Interconnection Points</p> <p> No. of points with ToD meters</p> <p> No. of points un-metered</p>	
<p>Communication and Commercial System</p> <p> Is there a SCADA system available?</p> <p> If yes, details</p> <p> Details of arrangement with the Load Dispatch Centre (LDC)</p> <p> Existing Communication System(VSAT/ PSTN/ GSM etc)</p>	<p>Yes/No</p>
<p>Transformation Loss (%)</p>	

Note :

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

*Signature of the Applicant***Annexure 3****FORM No. 2: APPLICATION FORM FOR A DISTRIBUTION LICENCE IN THE STATE OF TAMIL NADU**

[See Regulation 7(1)]

PART A : GENERAL INFORMATION OF APPLICANT

1. Details of Applicant
 - a. Full Name of the Applicant :
 - b. Full Address of the Applicant :
 - c. Name, Designation and Address of the Contact Person :
 - d. Contact Telephone Numbers :
 Fax Number :
 Email ID :
2. Details of Ownership
 - a. Company/ Firm/ Association of persons/ Co-operative Society/ Others (*specify*)
 - b. Company Incorporation/ Registration
 Place of Incorporation/ Registration :
 Year of Incorporation :
 Registration Number :
 - c. Name and Address of Directors/ Principal Shareholders/ Partners/ Members
3. Details of the area and distribution networks for which distribution licence has been sought:
 - a. Boundaries of the proposed area of distribution
 - b. Coverage of distribution network
 - c. Sourcing of Power
 - i. Voltage Level
 - ii. Point(s) of Sourcing
 - iii. Quantum of electricity
 1. Demand (MW)
 2. Energy (MU)

- d. Distribution of Power
 - i. Voltage Level
 - ii. Point(s) of Delivery
 - iii. Categories of End Consumers
 - e. Length of HT Line (Ckt. Kms)
 - f. Length of LT Line (Ckt. Kms)
 - g. Transformer (Nos. and Capacity in MVA)
4. Organisational Capabilities
- a. Management capability
 - b. Financial strength
 - c. Ability to discharge distribution activities in a sustainable manner
5. Whether the area of activity falls under cantonment/ aerodrome/ fortress/ arsenal/ dockyard/ camp or place for the occupation of the Government for defence purpose.
6. Date from which licence is sought

PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION

1. Documents (attested copies) to be submitted along with the licence application
 - (a) Information relating to pre-existing licence (if any), with copy of licence/ sanction
 - (b) Certificate of Incorporation/ Registration.
 - (c) Certificate of commencement of Business.
 - (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
 - (e) Articles of Association, Memorandum of Association and similar constitutional documents.
 - (f) Details of Income Tax PAN/TAN
 - (g) Details of import license, if any.
2. Data relating to Management and Financial capability
 - (a) Managerial
 - (i) Senior management's curriculum vitae
 - (ii) Cadre strength for different categories (technical and non-technical)
 - (b) Financial
 - (i) Bank references asserting that the Applicant is financially solvent
 - (ii) Annual Audited Reports for the past 5 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).
 - (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.
3. Data relating to the Applicant's Proposed Business
 - a. Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise load growth, year wise distribution loss reduction proposal along with specific action plan, metering plan, investment plan (including investment in Generating Stations or a Trading Company), treatment of previous losses, debt restructuring plan, program for rural electrification, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).
 - b. Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

4. Detailed Map

- a. Detailed electrical distribution map (including information on substations and configuration of the system) and geographical map for the proposed area of distribution, drawn to scale (scale not less than 10 Cms to one Km or any other scale as may be approved by the Commission).
- b. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation under the licence.
- c. The map shall indicate the streets and roads in the proposed area of distribution in which the electricity is to be distributed.
- d. A list of all local authorities vested with the administration of any portion of the area of distribution.
- e. An approximate Statement describing any lands, which the Applicant proposes to acquire under the provisions of Land Acquisition Act, 1894 (Act 1 of 1894) for the purpose of the licence and the means of such acquisition.

Date

*Signature of the Applicant.***PART C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT***(This form to be filled by an Applicant applying for a distribution licence)***1. Previous Experience (Past 5 years details for Related Business)***[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (As applicable)]*

General Information	
Name and Address of the Distribution project(s) developed	
Brief description of project developed	
Cost of the project developed – Rs. Lakhs.	
Name & Address of the Client company for whom the project were developed	
Name, Designation and Address of Reference person of Client Company	

Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Transformers (Nos.)					
500 kVA					
250 kVA					
100 kVA					
63 kVA					
25 kVA					
10 kVA					
Others					

Details of Distribution / Transmission project(s) managed in the last 5 years – Commercial Operations	Year 1	Year 2	Year 3	Year 4	Year 5
HT Line (Ckt. Kms) 230 kV 110 kV 66 kV 33 kV 11 kV LT Line (Ckt. Kms) 440 Volts					
Number of Contracts with details Transmission Domestic International Distribution Domestic International					
Specific details of Projects (Top 5 Projects)	<i>(Name of the Project)</i>	<i>(Name of the Project)</i>	<i>(Name of the Project)</i>	<i>(Name of the Project)</i>	<i>(Name of the Project)</i>
Timelines Commencement of Construction Scheduled Date Actual Date					
Commissioning Scheduled Date Actual Date Commercial Operations Scheduled Date Actual Date					
Project Cost Estimated Cost Actual Cost on Completion					
Consumer Base (Nos.) EHT HT Industrial LT Industrial Commercial Domestic Agricultural Others					

Quantum of Energy Distributed Total (Million Units) Metered Sales (%)					
Revenue Collection Amount (Rs. Lakhs) Collection Efficiency (%)					
Financial Information (Rs. Lakhs)	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Institutions Public Others					
Liabilities Long Term Short Term					
Income Sale of Power Others					
Expenses Administration and General Expense Repairs and Maintenance Employee Cost Depreciation Interest and Financial Charges Long Term Short Term Others					
Profits and Returns Net Profits Dividends Paid					

2. Details of Proposed Project (Business for which licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

- (i) Is the applicant acquiring Existing Assets or Creating New Assets?
- (ii) Acquiring of Existing Assets / Construction of New Assets

<p>Funding</p> <p>Proposed means of Finance</p> <p>Equity (Rs. Lakhs)</p> <p>Applicant</p> <p>Co-promoters</p> <p>Others (<i>specify</i>)</p> <p>Debt</p> <p>Domestic (Rs. Lakhs)</p> <p>Indian Financial Institutions</p> <p>Commercial Banks</p> <p>Others (<i>specify</i>)</p> <p>International (FC Million)</p> <p>Supplier's Credit</p> <p>Direct Borrowing</p> <p>Others (<i>specify</i>)</p> <p>Equivalent INR (with Exchange rate used)</p> <p>Others (<i>specify</i>)</p>	
<p>In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency</p> <p>Name and Address of the Agency and contact details of the reference person of the Agency (name, address, telephone/fax numbers, email etc.,)</p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p>Agency's equity as a percentage of total equity (%)</p> <p>Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement / Project</p> <p>Details of Lenders (name & address).</p> <p>Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p>Whether any guarantee is being sought for the loans from any agency.</p> <p>If Yes, provide details</p>	Yes / No
(iii) For Applicants creating New Assets	
<p>EPC</p> <p>Whether the Applicant is proposing to employ an EPC Contractor.</p> <p>If Yes, Name, Address and contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	Yes/ No

(iv) For Applicants employing other contractors

Other Contracts	
<p>Whether the Applicant is proposing to employ any Contractor for Operation and Maintenance work.</p> <p>If Yes, Name, Address & contact details of the same.</p> <p>Period of the Contract</p> <p>Details of the experience of the O&M contractor in similar business</p>	Yes/ No

Note : Consent letters of the other Agency and Contractors to associate with the Applicant for the above project to be enclosed.

Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

3. Appropriate Expertise (Personnel)

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm	

Note : Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Finance, should be part of the Core team.

4. Revenue Potential (Business for which licence is sought)

General Information	
<p>In case of acquired assets</p> <p>Quantum energy distributed during previous financial year (MU)</p> <p>Expected life of assets acquired (in years)</p> <p>In case of construction of new Assets</p> <p>Quantum energy distributed during previous financial year on parallel network already existing (MU)</p>	
<p>Consumer Base (Nos.)</p> <p>EHT</p> <p>HT Industrial</p> <p>LT Industrial</p>	
<p>Commercial</p> <p>Domestic</p> <p>Agricultural</p> <p>Others (specify)</p>	
<p>Sale of Electricity</p> <p>Expected Quantum (MU)</p> <p>Anticipated growth in demand (%)</p>	

Commercial Information	
Average Tariff (Rs. / Unit)	
EHT	
HT Industrial	
LT Industrial	
Commercial	
Domestic	
Agricultural	
Others (<i>specify</i>)	
Revenue	
Realization (Rs. Lakhs)	
Collection Efficiency (%)	
Financial Information	
Capital Base (Rs. Lakhs)	
Annual Expected Turnover (Rs. Lakhs)	

5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

General Information					
Names of Subsidiary Business Units	Products Manufactured/Services				
1.	1.				
2.	2.				
3.	3.				
4.	4.				
5.	5.				
Financial Indicators	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters'					
Government/Financial Institutions					
Public					
Others					
Liabilities					
Long Term					
Short Term					
Income					
Sale of Power					
Others (<i>specify</i>)					

Expenses					
Administration and General Expense					
Repairs and Maintenance					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others (<i>specify</i>)					
Financial Indicators	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Overall Turnover (Rs. Lakhs)					
Profits and Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy and Credit worthiness					
Debt/Networth					
Debt/Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					

6. Baseline Information (Business for which licence is sought)

General Information	
Assets	
Transformers (Nos.)	
500 kVA	
250 kVA	
100 kVA	
63 kVA	
25 kVA	
10 kVA	
Others	
HT Line (Ckt. Kms)	
230 kV	
110 kV	
66 kV	
33 kV	
11 kV	
LT Line (Ckt. Kms)	
440 Volts	
Commercial Information	
Metering Status	
Metered Consumers (as a % of Total Consumers)	
Billing Status	
Billing (as a % of Total Input)	
Revenue Realization	
Revenue Realization per Unit Sale (Rs./ Unit)	
Collection Efficiency (%)	
Loss	
Technical Loss (%)	
Commercial Loss (%)	

Note :

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date

Signature of the Applicant

Annexure 4**FORM NO. 3: APPLICATION FORM FOR A TRADING LICENCE IN THE STATE OF TAMIL NADU**

[See Regulation 7 (1)]

PART A : GENERAL INFORMATION OF APPLICANT

1. Details of Applicant—

- (a) Full Name of the Applicant :
- (b) Full Address of the Applicant :
- (c) Name, Designation and Address of the Contact Person :
- (d) Contact Telephone Numbers :
- Fax Number :
- Email ID :

2. Details of Ownership—

- a. Company/ Firm/ Association of persons/ Co-operative Society/Others (specify)
- b. Company Incorporation/Registration
- Place of Incorporation/Registration :
- Year of Incorporation :
- Registration Number :
- c. Name and Address of Directors/Principal Shareholders/Partners/Members

PART B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION

1. Documents (attested copies) to be submitted along with the licence application

- (a) Information relating to pre-existing licence (if any), with copy of licence/ sanction
- (b) Certificate of Incorporation/Registration.
- (c) Certificate of commencement of Business.
- (d) Original Power of Attorney of the Signatory to commit the Applicant or its Promoter.
- (e) Articles of Association, Memorandum of Association and similar constitutional documents.
- (f) Details of Income Tax registration.

2. Organisational and Managerial Capability of Applicant

- (a) Managerial
- (i) Senior management's curriculum vitae
- (ii) Cadre strength for different categories (technical and non-technical)
- (b) Financial
- (i) Bank references asserting that the Applicant is financially solvent
- (ii) Annual Audited Reports for the past 5 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).
- (c) Any other document evidence to substantiate the financial capabilities, technical competence and others.

3. Data relating to the Applicant's Proposed Business

(a) Approach and Methodology (*Applicant is required to describe Approach and Methodology for establishment of the Trading arrangements as proposed by the Applicant*)

(b) Business Plan (with 5 years projection) for the proposed business for which licence is sought (*which should contain year wise anticipated growth in trade volumes, metering plan, treatment of previous losses, debt restructuring plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters*).

(c) Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

Date

Signature of the Applicant

LICENSING REGULATIONS (TRANSMISSION, DISTRIBUTION & TRADING)**Part C : FORMAT FOR ASSESSING COMPETENCE OF APPLICANT***(This form to be filled by an Applicant applying for a trading licence)***1. Previous Experience (Past 5 years details for Related Business)***[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]***General Information**

Does the applicant have previous experience in electricity trading? Yes/ No

If yes, Specify location (*State/ Country*)

Does the applicant have trading experience in any other related sector? Yes/ No

If yes, name the sector

Specify location? (*State/Country*)

<i>Details of electricity trading in the last 5 years – Commercial Operations</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Trading Volume at various voltage levels (Million Units) Bulk trade Retail trade					
Number of Ongoing Contracts with details Bulk trade Retail trade					
Bulk trade (Nos. and Quantum) End consumers Re-seller(s)/Trader(s)					
Retail trade Consumer Base (Nos. and Quantum) High Tension Low Tension					
Revenue from electricity trading (Rs. Lakhs) Bulk trade Retail trade					
<i>Details of trading in other Sectors during the last 5 years–Commercial Operations</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Trading Volume (—Units) Bulk trade Retail trade					

Revenue from trading (Rs. Lakhs)					
Bulk trade					
Retail trade					
Number of Ongoing trading Contracts with details					
Bulk trade					
Retail trade					
Financial Information (Rs. Lakhs)	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Equity					
Promoters'					
Government/ Financial Institutions					
Public					
Others					
Liabilities					
Long Term					
Short Term					
Income					
Electricity trading					
Others					
Expenses					
Administration and General Expense					
Employee Cost					
Depreciation					
Interest and Financial Charges					
Long Term					
Short Term					
Others					
Profits and Returns					
Net Profits					
Dividends Paid					

2. Details of proposed trading activity (Business for which licence is sought)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

Funding

Whether applicant himself shall be financing the proposed trading fully on its own balance sheet

Yes / No

Proposed means of Finance

Equity (Rs. Lakhs)

Applicant

Co-promoters

Others

Note : Atleast one full time professional, having experience in each of the following disciplines like Power Systems Operation, Metering, Finance & Commercial transactions should be part of the Core team.

Knowledge & Understanding of Power Systems Operation (covering Generation Availability, Capacity Utilisation, Demand, Plant Load Factor, Flow of Electricity, etc.), Power Market Operations (Commercial arrangements (PPAs, BSA, TSA etc.) & Communication and Scheduling of Power (Load Dispatch) are required.

4. Revenue Potential (Business for which licence is sought)

General Information	
Details of Target Bulk Consumers	
End Consumer	
Reseller(s)/ Trader(s)	
Retail Consumer Base (Nos.)	
High Tension	
Low Tension	
Trading of Electricity (Expected Annual)	
Bulk Trade	
Expected Quantum (MU)	
Anticipated demand growth (%)	
Retail Trade	
Expected Quantum (MU)	
Anticipated demand growth (%)	
Commercial Information	
Existing Average Tariff (Rs./ Unit)	
Bulk Supply Tariff	
Retail Supply Tariff	
High Tension	
Low Tension	
Financial Information	
Annual Expected Turnover (Rs. Lakhs)	

5. Financial Soundness (Other Subsidiary Business Units)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (As applicable)]

General Information	
Names of Subsidiary Business Units	Products Manufactured/Treded
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

Banker's Details					
Details of Bank Accounts Name & Address of the Bank Account Number Contact Person & Details Name of the Representative Designation Contact Numbers Email ID					
<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets					
Equity Promoters' Government/Financial Institutions Public Others					
Liabilities Long Term Short Term					
Income From Sale From Trading Others					
Expenses Administration and General Expense Repairs and Maintenance Employee Cost Depreciation Interest and Financial Charges Long Term Short Term Others					

<i>Financial Indicators</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Overall Turnover (Rs. Lakhs)					
Profits & Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy and Credit worthiness					
Debt/ Net worth					
Debt/ Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					
6. Baseline Information (Business for which licence is sought)					
Commercial Information					
Metering Status					
Total Interconnection points					
Un-metered Interconnection Points					
Metered Bulk Consumers					
Consumers with ToD Meters					
Metered Retail Consumers					
Un-metered Retail Consumers					
Consumers with ToD meters					
Billing Status					
Billing (as a % of Total Input)					
Loss					
Commercial Loss (%)					

Note :

1. Certificates/documents in support of all the credentials detailed above, from the Owner/ Client for whom the project were promoted should be submitted along with the application.
2. Wherever conversion factor is used (for currency conversion and others), mention the conversion factor used for this purpose.

Date:

Signature of the Applicant

Annexure 5**FORM No. 4: AFFIDAVIT**

[See Regulation 7 (3)]

I S/o: Aged Resident of solemnly affirm and state on Oath as follows:

I am Chairperson and Managing Director / Company Secretary / Authorised Signatory (or any other position held by the deponent in the firm or company as the case may be) as such I am well acquainted with the facts of the case. I am authorized to file application, documents, swear affidavits as may be necessary.

The facts stated above in the application and documents provided by me are true to the best of my knowledge and belief.

Signature of the Deponent

This affidavit is solemnly affirmed and signed before me this Day of month of Year

.....

(an Advocate/Notary Public/Magistrate/Gazetted Officer can attest)

Annexure 6**FORM No. 5: FORMAT AND CONDITIONS OF TRANSMISSION LICENCE****Licence granted for Transmission of electricity**

[See Regulations 15(2)]

Licence is granted by the Tamil Nadu Electricity Regulatory Commission under section 14 of the Electricity Act, 2003 (Act 36 of 2003) to, for carrying on the business of transmission of electrical energy within the area of activity (as specified under 'licensed activity' in the schedule) and shall be subject to the terms and conditions specified herein. The licence shall come into force from the date of issue of this licence.

PART - I**DEFINITIONS**

1. Words, terms and expressions to which meanings are assigned by the Electricity Act 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires:

(a) **"accounting statement"** means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the licensee engages in any other business or activity for optimum utilisation of its assets in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of transmission licensees and show the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:—

(i) charged from the licensed business to any other business or vice versa together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation.

However, the deemed licensees under proviso to section 14 of the Act shall continue to maintain the accounts in accordance with Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified or such deemed licensees are reorganised under Section 131 of the Act.

(b) **"Act"** means the Electricity Act, 2003 (36 of 2003);

(c) **"annual accounts"** means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

- (d) **“area of activity”** means the area stated in the licence within which the licensee is authorised to establish, operate and maintain transmission lines;
- (e) **“Auditors”** means the licensee’s auditors holding office in accordance with the requirements of sections 224 to 234A or Section 619 as appropriate, of the Companies Act 1956 (1 of 1956);
- (f) **“authorised”**, in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first second third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act;
- (g) **“Commission”** means the Tamil Nadu Electricity Regulatory Commission;
- (h) **“distribution”** means the conveyance of electricity by means of a distribution system;
- (i) **“distribution system”** means a system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.
- (j) **“Force Majeure”** means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (k) **“generating station”** means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switchyard, cables or other appurtenant equipments, if any used for that purpose and the site thereof; a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;
- (l) **“holding company”** shall have the same meaning as assigned to it under the Companies Act, 1956 (1 of 1956);
- (m) **“intervening transmission facilities”** means the electric lines owned or operated by a licensee where such electric lines can be utilized for transmitting electricity for and on behalf of another licensee at his request and on payment of a tariff or charge.
- (n) **“licence”** means the licence granted under Section 14 of the Act;
- (o) **“licensee”** means a person who has been granted a licence under Section 14 of the Act;
- (p) **“licensed business”** means the business of transmission of electricity in the area of activity as authorised under this licence;
- (q) **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (r) **“operational control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipments;
- (s) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;
- (t) **“Overall Performance Standards”** means the standards as may be determined by the Commission pursuant to Section 57 of the Act;
- (u) **“person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (v) **“subsidiary”** shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);
- (w) **“sub-station”** means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cable and other appurtenant equipments and any buildings used for that purpose and the site thereof;
- (x) **“supply”** in relation to electricity means the sale of electricity to a licensee or consumer;
- (y) **“Tamil Nadu Electricity Grid Code”** means the grid code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act;
- (z) **“trader”** means a person who has been granted a licence to undertake trading in electricity under Section 14 of the Act;

- (aa) **“trading”** means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (ab) **“transfer”** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ac) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;
- (ad) **“transmission lines”** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (ae) **“transmission business”** means the authorised business of a transmission licensee to transmit electricity, whether for its own account or for that of any other person, through any system owned and/ or operated by such licensee;
- (af) **“transmission licensee”** means a licensee authorised to establish or operate transmission lines;
- (ag) **“transmission operating standards”** means the standards related to the licensee’s operation of its transmission system stipulated by the Commission in Tamil Nadu Electricity Grid Code;
- (ah) **“transmission planning and security standards”** means the standards related to the adequacy of the licensee’s system planning and security of its transmission system as stipulated by the Commission in Tamil Nadu Electricity Grid Code;
- (ai) **“transmission system”** means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (aj) **“use of system”** means use of the transmission system for the transportation of electricity for any person pursuant to a contract entered into with the transmission licensee;
- (ak) **“users”** means anyone who uses the transmission system; and
- (al) **“wheeling”** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under Section 62 of the Act;

PART - II GENERAL CONDITIONS

3. PERIOD OF THE LICENCE

The transmission licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the Regulation 20 or under Section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

(1) The transmission licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time and all other applicable laws.

(2) The transmission licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

(3) Non compliance of provisions of the Act, Rules, Regulations and Codes will be dealt with in accordance with Regulations 35 and 36 of these Regulations.

5. DUTIES OF THE TRANSMISSION LICENSEE

(1) The transmission licensee shall duly discharge the duties of the transmission licensee as provided under Section 40 of the Act.

(2) The transmission licensee shall provide non discriminatory Open Access to the transmission system for use of the licensees, and generating companies including the captive generating plants and the consumer subject to availability of transmission capacity in the transmission lines and in the case of use of such transmission system for supply of electricity to consumer subject to payment of surcharge to meet the current level of cross subsidy as envisaged in Section 40 read with sub-section (2) of Section 42 of the Act.

(3) The transmission licensee owning or operating intervening facilities shall, under the orders of the Commission, provide such facilities to the extent of surplus capacity available, in his transmission system and in the event of any dispute as to the availability of the surplus capacity the Commission shall determine the same. The charges and terms and conditions for the intervening facilities may be mutually agreed between the licensees and in the event of any disagreement the same shall be decided by the Commission.

(4) The transmission licensee shall not, without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee within the State, or

(b) merge his utility with the utility of any other licensee within the State, or

(c) assign his licence or transfer his utility or part thereof to any person, by sale, lease, exchange, or otherwise.

(5) The transmission licensee shall, before obtaining the approval, give not less than one month's notice to every other licensee(s) who transmits or distributes electricity in the area of such licensee who applies for such approval.

Any agreement relating to the above transaction without approval of the Commission shall be void.

(6) The transmission licensee shall not engage in the business of electricity trading.

(7) In the event the transmission licensee engages in any other business for optimum utilisation of his assets, he shall ensure that:—

(a) due intimation to the Commission, about the other business the licensee is proposes to engage is given;

(b) the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner by reason of the other business;

(c) at least 50% of its profits earned out of such other business, shall be utilized for reducing the charges for transmission and wheeling;

(d) separate accounting records as would be required to be kept in respect of such activities are prepared and kept as if they were carried on by a separate entity, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such other business activities are separately identifiable from those of the licensed business;

(e) the licensed business does not subsidize in any way such other business nor creates encumbrance on its transmission assets in any way to support such other business; and

(f) the transmission licensee shall be entitled to give equipments/ materials in its possession on hire or lease provided such arrangement results in optimum utilisation and gainful employment of its assets, provided the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner. The transmission licensee shall be entitled to sell or dispose off scrap/ unserviceable/ obsolete material/ equipments. The earnings from such activities shall be recognised in the annual revenue requirement petition to be filed by the licensee to the Commission.

(8) The transmission licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the licensed business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

(9) The transmission licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to him in connection with the licensed business, subject to the following conditions that:—

- (a) such subsidiaries or holding company does not engage in any business activities which the licensee is prohibited from doing or which the licensee is not entitled to engage in without the prior approval of the Commission.
- (b) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;
- (c) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to licensed business; and
- (d) the transmission licensee will give fifteen days' notice with details of such arrangement, to the Commission prior to commencement of the such arrangement.

(10) The transmission licensee may establish subsidiaries or associated companies to conduct or carry out any of the functions, which the licensee is authorised, to conduct or carry out under the Act and this licence. Provided always that:

- (a) any such subsidiary or associated company shall operate under the overall supervision and control of the licensee and upon the terms and conditions of this licence; and
- (b) the licensee shall have, prior to delegating any function to any such subsidiary or associated company, intimate the Commission, subject to such conditions as the Commission may stipulate.
- (c) the licensee shall also be responsible for all actions of the subsidiaries or associated companies and the Commission may require the licensee to terminate the arrangements in case the performance is not to its satisfaction.

Where such prior approval is required, the licensee will file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty days of such further information being submitted by the licensee, and where no such further investigation is required, generally within sixty days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

6. ACCOUNTS

(1) Unless otherwise permitted by the Commission the financial year of the licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The transmission licensee shall, in respect of the licensed business and any other business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the licensed business are separately identifiable in the books of the licensee, from those of other business in which the licensee may be engaged;

(b) prepare on a consistent basis from such accounting records and deliver to the Commission.—

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner prescribed by the Commission;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the licensee and the licensee shall render all necessary assistance to such person.

(4) The transmission licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956 or the respective Acts under which the licensee is governed, the accounting standards or rules and any guidelines issued by the Commission in this regard.

(5) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if requested by the Commission. (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(6) Accounting statements under clause (2) shall, unless otherwise approved or directed by the Commission shall:

- (a) be prepared and published with the annual accounts of the licensee, in the manner provided herein;
- (b) state the accounting policies adopted;
- (c) be prepared in accordance with generally accepted Indian accounting standards; and
- (d) be prepared in the form as the Commission may stipulate from time to time.

(7) References to costs or liabilities which are reasonably attributable to licensed business or other business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.

7. PROVISION OF INFORMATION TO THE COMMISSION

(1) The transmission licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the Central Commission and/or the Central Electricity Authority.

(2) The transmission licensee on occurrence of any major incident shall notify the Commission about such occurrence as directed to under the Tamil Nadu Electricity Grid Code and Tamil Nadu Electricity Distribution Code.

(3) The transmission licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its transmission business and any other matter concerning the transmission business that the Commission considers necessary in the public interest.

(4) The transmission licensee shall duly inform the Commission about any incident restricting it from meeting its obligation under the licence granted including any Act of omission or commission by others and steps taken by the Licensee to mitigate the effect of such incident.

(5) The Commission may at any time require the licensee to comply with the provisions of clauses (2) to (4) as to incidents which the Commission may specifically direct and the licensee shall be obliged to comply with the same notwithstanding that such incidents are not major incidents; provided that the time limits specified in clause (2) shall commence from the date that the Commission notifies licensee of such requirement.

(6) The transmission licensee shall submit a business plan, as required under the TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005, within three months of this licence coming into force and shall update such plan annually.

(7) The Commission may require the licensee to intimate by the end of first quarter of each financial year the progress made in implementing the business plan of the previous financial year with the comparison of actual implementation *vis-à-vis* the plan as approved by the Commission.

8. CAPITAL INVESTMENT PLAN

The licensee shall comply with the provisions relating to Capital Investment Plan as detailed in TNERC (Terms and Conditions for determination of tariff) Regulations – 2005.

9. PAYMENT OF LICENCE FEES

(1) Within 30 days or such further period as the Commission may allow after the coming into force of this licence, the licensee shall pay to the Commission ¹[a licence fee as specified in Regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004], on a prorata basis for the balance period of the year in quarterly instalments as stated in sub-clause (2) below.

(2) For the subsequent financial year(s), for as long as this licence remains in force, the licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission ²[an annual fee as specified in Regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004.]

¹Substituted for the expression "a fee as may be stipulated by the Commission" as per Commission's Notification **No.TNERC/REGULATIONS/F&F/4/2-1**, dated 16.11.2006 (w.e.f. 3.1.2007)

²Substituted for the expression "an annual licence fee as may be specified by the Commission" as per Commission's Notification **No.TNERC/REGULATIONS/F&F/4/2-1**, dated 16.11.2006 (w.e.f. 3.1.2007)

(3) The Commission may, from time to time, revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by the licensee on/ or before the start of each financial year.

(4) Where the transmission licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:—

(a) without prejudice to other obligations, the licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the licensee, the Commission may revoke this licence pursuant to Section 19 of the Act and Regulation 20 of these regulations.

(5) The transmission licensee shall be entitled to take into account any fee paid by it under this condition 9 as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any interest paid pursuant to this clause.

10. AMENDMENT OF LICENCE CONDITIONS

(1) Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under Section 18 of the Act. The following provisions shall have effect for any alterations or amendments:—

(a) Where the licensee has made an application under sub-section (1) Section 18, of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9, (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

(c) the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

11. SETTLEMENT OF DISPUTES

The provisions contained in Regulations 21 to 24 of these regulations, shall apply to any dispute between the transmission licensee and any generating company and such disputes shall be settled in accordance with the provisions contained in the said regulations.

12. TRANSMISSION PLANNING AND SECURITY STANDARDS AND TRANSMISSION OPERATING STANDARDS

The licensee shall comply with the provisions of Tamil Nadu Electricity Grid Code specified under clause (h) of sub-section (1) of Section 86 of the Act.

13. COMPLIANCE WITH THE GRID CODE BY THE TRANSMISSION LICENSEE

(1) The transmission licensee shall ensure due compliance with the Indian Electricity Grid Code and Tamil Nadu Electricity Grid Code.

(2) The Commission may, on reasonable grounds and after consultation with any affected Generating Company, the transmission licensee, the State Transmission Utility, the State Load Despatch Centre and electricity traders, issue directions relieving the licensee of its obligation in respect of such parts of the State Grid Code and to such extent as may be decided by the Commission.

14. CONNECTION AND USE OF SYSTEM

The transmission licensee shall comply with the provisions of the Act and the regulations made thereunder by the Commission in regard to non- discriminatory open access to the use of his transmission system by the users.

15. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person, who is a deemed licensee under Section 14 of the Act.

SCHEDULE 1

Licensed Activity

The following transmission systems and transmission corridor as detailed below, in the State of Tamil Nadu, including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the Electricity Act. 2003 and subject to the conditions of licence agreed upon.

.....
.....
.....

(By order of the Commission)

Chennai
Dated

Sd/-
Secretary/TNERC.

Annexure 7

FORM No.6: FORMAT AND CONDITIONS OF DISTRIBUTION LICENCE

Licence granted for Distribution of electricity

[See Regulations 15(3)]

Licence granted by the Tamil Nadu Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to, for carrying on the business of distribution of electrical energy within the area of activity (as specified under 'licensed area of distribution licensee' in the schedule) and shall be subject to the terms and conditions specified herein. The licence shall come into force from.....

PART - I

DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act, 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires, in these General conditions:

(a) **"accounting statement"** means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (Act 1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the licensee engages in any other business or activity in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of distribution licensees and show the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:—

(i) charged from the licensed business to any other business or *vice versa* together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation. However, The Tamil Nadu Electricity Board, which is a deemed licensee under proviso to Section 14 of the Act shall continue to maintain the accounts in accordance with Electricity (Supply) Annual Accounts Rules 1985 till these rules are rescinded or modified or such deemed licensees are reorganised under Section 131 of the Act,

(b) **"Act"** means the Electricity Act, 2003 (Act 36 of 2003);

(c) **"annual accounts"** means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 (Act 1 of 1956) and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

(d) **"area of activity"** or **"area of distribution"** or **"area of supply"** means the area stated in the schedule to the licence within which the licensee is authorised to establish, operate and maintain distribution lines and to distribute and supply electricity;

(e) **"Auditors"** means the licensee's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619, of the Companies Act 1956 (Act 1 of 1956) as the case may be;

(f) **"authorised"**, in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth provisos to Section 14 of the Act;

(g) **"Commission"** means the Tamil Nadu Electricity Regulatory Commission;

(h) **"distribution"** means the conveyance of electricity by means of a distribution system;

(i) **"distribution business"** means authorised business of the licensee to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(j) **"distribution licensee"** means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(k) **"distribution system"** means the system of wires and associated facilities between delivery points on the transmission lines or the generating station connections and the point of connection to the installation of the consumers;

- (l) **“distribution system operating standards”** means the standards as specified by the Commission in the Tamil Nadu Electricity Regulatory Commission Tamil Nadu Electricity Distribution Standards of Performance Regulations, 2004 and the Tamilnadu Electricity Grid code.
- (m) **“franchisee”** means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply;
- (n) **“Force Majeure”** means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (o) **“generating station”** means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switchyard, cables or other appurtenant equipments, if any used for that purpose and the site thereof; the site intended to be used for a Generating Station, and any building used for housing the operating staff of a Generating Station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub- station;
- (p) **“holding company”** shall have the same meaning as assigned to it under the Companies Act, 1956 (Act 1 of 1956);
- (q) **“licence”** means the distribution licence under Section 14 of the Act under which the licensee is authorised to conduct the licensed business;
- (r) **“licensee”** means any person, who has been granted this licence under Section 14 of the Act;
- (s) **“licensed business”** means the business of distribution of electricity in the area of activity as authorised under this licence;
- (t) **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Commission;
- (u) **“operational control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipments;
- (v) **“other business”** means any business of the licensee other than the licensed business for optimum utilisation of its assets;
- (w) **“person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (x) **“subsidiary”** shall have the same meaning as in Section 4 of the Companies Act, 1956 (Act, 1 of 1956);
- (y) **“sub-station”** means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cables and other appurtenant equipments and any buildings used for that purpose and the site thereof;
- (z) **“supply”** in relation to electricity means the sale of electricity to a licensee or consumer;
- (aa) **“Tamil Nadu Electricity Distribution Code”** means the Code published by the Commission under Sections 46 and 86 of Act;
- (ab) **“Tamil Nadu Electricity Supply Code”** means the Code published by the Commission under Section 50 of the Act;
- (ac) **“trader”** means a person who has been granted a licence to undertake trading in electricity under Section 14 of the Act;
- (ad) **“trading”** means the purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;
- (ae) **“trading business”** means the authorised business of the trading licensee in the licensed area of activity;
- (af) **“trading licensee”** means the person who is authorised to undertake trading and shall include deemed licensee who is so authorised under Section 14 of the Act;

- (ag) **“transfer”** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (ah) **“transmit”** means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;
- (ai) **“transmission lines”** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works;
- (aj) **“transmission system”** means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system;
- (ak) **“use of system”** means use of the distribution system for the transportation and wheeling of electricity for any person pursuant to a contract entered into with the distribution licensee.
- (al) **“users”** means anyone who uses the distribution system.
- (am) **“wheeling”** means the operation whereby the distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges stipulated by the Commission under the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for the Determination of Tariff) Regulations, 2005;

**PART - II GENERAL
CONDITIONS**

3. TERM OF THE LICENCE

The distribution licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the provisions of Regulation 20 of these regulations or under Section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

(1) The distribution licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time.

(2) The distribution licensee shall act in accordance with this General Conditions except where the licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically permitted by the Commission for any deviation therefrom.

(3) The distribution licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

5. DUTIES OF THE DISTRIBUTION LICENSEE

(1) The distribution licensee shall duly discharge the duties of the distribution licensee as provided under Section 42 and 43 of the Act.

(2) The distribution licensee shall develop and maintain an efficient, co-ordinated and economical distribution system in the area of distribution and effect supply of electricity to Consumers in such area of distribution in accordance with the provisions of the Act, rules, regulations, orders and directions of the Commission.

(3) The distribution licensee shall be entitled to:—

(a) purchase, import or otherwise acquire electricity from generating company, trader and from such other sources and persons with whom the distribution licensee has agreements or arrangements of power purchase or procurement of energy in accordance with the terms and conditions of such agreement and arrangement as consented to or approved by the Commission;

(b) purchase or acquire electricity from any person whose generating unit existing as on date of the grant of the distribution licence, is directly connected to and interfaced with the distribution system of the licensee, provided that the licensee shall intimate the Commission of the existing arrangements for such purchase or acquisition of electrical energy and obtain the general or special approval of the Commission;

(c) purchase from renewable sources connected to its distribution system in such quantum as may be stipulated by the Commission under Section 86 (1) (e) of the Act.

(d) purchase or otherwise acquire electricity from any person or licensee on the tariffs and terms and conditions as approved by the Commission;

(e) undertake trading in electricity in its area of distribution without the need for a separate trading licence;

(f) sell electricity or energy capacity contracted for such period and to such extent of electricity or capacity is not required by the distribution licensee for the discharge of his obligations to supply electricity in his area of supply.

(g) supply to such persons situated within its area of supply and requiring supply of electricity from a generating company or any licensee other than the distribution licensee in accordance with regulations made by the Commission. The licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access.

(4) The distribution licensee shall not, without the general or special approval of the Commission:—

(a) Sell or supply electricity to any person, other than pursuant only in accordance with this licence, and on the tariffs and terms and conditions as approved by the Commission; or

(b) provide wheeling services to third parties for transportation of electricity through the licensee's distribution system in accordance with the regulations made by the Commission; and where the Commission permits a consumer or class of consumers to receive electricity supply from a person other than the licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling as may be stipulated by the Commission in the open access regulation; or

(c) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee within the State; or

(d) merge his utility with the utility of any other licensee or his own elsewhere within the State; or

(e) assign his licence or transfer his utility or part thereof to any person by sale, lease, exchange or otherwise.

(5) Save as in the case of the consumers of the distribution licensee and persons authorised by the Commission, the licensee shall not commence any new provision of services to any other licensee or person not authorised by the Commission for the conveyance of electricity through its distribution system, without informing the Commission seven days prior to the commencement of such arrangement. In circumstances requiring immediate remedial action in the interest of continuity of supply to the persons other than the consumers, the licensee may commence the activity referred to in this clause, provided that the licensee will inform the Commission of such occurrence or circumstances within seven days thereof.

(6) The distribution licensee shall purchase the energy required for meeting its obligation under its licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the regulations, guidelines, directions made by the Commission from time to time. In case of a shortage of electricity supply, the Commission may fix the maximum and minimum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and the licensee or between licensees for a period not exceeding one year to ensure reasonable prices of electricity for transmission, wheeling and retail sale of electricity.

(7) In the event the distribution licensee engages in any other business the same shall be subject to the following conditions:—

(a) due intimation to the Commission, about the other business the licensee is proposing to engage;

(b) the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner by reason of the other business;

(c) at least 50% of its profits earned out of such other business, shall be utilized for reducing the charges for wheeling;

(d) the distribution licensee shall prepare and keep, in respect of the other business activities, separate accounting records as would be required to be kept in respect of such activities as if they were carried on by a separate entity, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such other business activities are separately identifiable from those of the licensed business;

(e) the licensed business does not subsidize in any way such other business nor creates encumbrance on its distribution assets in any way to support such other business; and

(f) the distribution licensee shall be entitled to give equipments/ materials in its possession on hire or lease provided such arrangement results in optimum utilisation and gainful employment of its assets, provided the licensed business and the conduct thereof by the licensee is not prejudiced and/or adversely affected in any manner. The licensee shall be entitled to sell or dispose off scrap/ unserviceable/ obsolete materials/ equipments. The earnings from such activities shall be recognised in the annual revenue requirement petition to be filed by the licensee to the Commission.

(8) The distribution licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the licensed business. The loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

(9) The distribution licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the licensee in connection with the licensed business, subject to the following conditions that:

(a) such subsidiaries or holding company does not engage in any business activities which the distribution licensee is prohibited from doing or which such licensee is not entitled to engage in without the prior approval of the Commission.

(b) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;

(c) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to licensed business; and

(d) the distribution licensee will give fifteen days' notice with details of such arrangements to the Commission prior to commencement of the such arrangement.

(10) The distribution licensee may establish subsidiaries or associated companies or grant a franchisee or enter into management contracts including appointment of billing agent to conduct or carry out any of the functions, which such licensee is authorised to conduct or carry out under the Act and this licence.

Provided always that:

(a) any such subsidiary or associated company or franchisees/ contractors or agents shall operate under the overall supervision and control of the licensee and upon the terms and conditions of this licence; and

(b) the licensee shall have, prior to delegating any function to any such subsidiary or associated company or franchisees or contractor, intimate the Commission for transactions of value of greater than Rs. one crore, subject to such conditions as the Commission may stipulate.

(c) The distribution licensee shall also be responsible for all actions of the subsidiaries or associated companies or franchisees or agents or contractors and the Commission may require the licensee to terminate the arrangements in case the performance is not to its satisfaction.

(11) Where such prior approval is required, the distribution licensee shall file a suitable application with the Commission disclosing relevant facts. The Commission may, within thirty days of the filing of the application, seek further information in support of the application. The Commission shall generally within thirty days of such further information being submitted by such licensee, and where no such further investigation is required, generally within sixty days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

(12) The distribution licensee shall provide open access to the distribution system for use of the distribution licensees and generating company including the captive generating plant and the consumer subject to operational constraints in the distribution system and subject to payment by the user all applicable tariffs and charges as determined or directed to be charged by any general or special order of the Commission.

6. ACCOUNTS

(1) Unless otherwise permitted by the Commission the financial year of the distribution licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The distribution licensee shall, in respect of the licensed business and any other business:

(a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the licensed business are separately identifiable in the books of the licensee, from those of other business in which the licensee may be engaged;

(b) prepare on a consistent basis from such accounting records and deliver to the Commission

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner the Commission may direct from time to time;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion, these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the distribution licensee and such licensee shall render all necessary assistance to such person.

(4) The distribution licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956 (Act 1 of 1956) or the respective Acts under which the licensee is governed, the accounting standards or rules and any guidelines issued by the Commission in this regard.

(5) Where, in relation to the accounting statements in respect of a financial year, the Licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the licensee shall, if requested by the Commission (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(6) Accounting statements under sub-clause (2) shall, unless or otherwise approved or directed by the Commission:

(a) be prepared and published with the annual accounts of the distribution licensee, in the manner provided herein;

(b) state the accounting policies adopted;

(c) be prepared in accordance with generally accepted Indian accounting standards; and

(d) be prepared in the form as the Commission may stipulate from time to time;

(7) The references to costs or liabilities of, or reasonably attributable to licensed business or other business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such business and interest thereon.

(8) The distribution licensee shall ensure that the accounting statements in respect of each financial year prepared under clause (2) and the auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

(9) The Commission may, from such time it considers appropriate, require the licensee to comply with the provisions of clause (1) to (8) above treating the distribution and supply activities of the licensee as separate and distinct businesses and shall comply with any guidelines issued by the Commission in this regard. In order to meet the requirement of open access, the accounting statements should be maintained separately for capital expenditure of the distribution activity and supply activity while for the purposes of revenue expenditure, the segregation of common services may be done by suitably allocating the same.

7. PROVISION OF INFORMATION TO THE COMMISSION

(1) The distribution licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee engaged for optimum utilisation of the assets of the licensed business, as the Commission may require from time to time for its own purposes or for the purposes of the Government of India, State Government, the Central Commission, and/or the Central Electricity Authority, the State Transmission Utility and State Load Dispatch Centre.

(2) The distribution licensee shall furnish information on standards of performance in accordance with regulation 24 of Tamil Nadu Electricity Distribution Standards of Performance Regulations 2004.

(3) The distribution licensee on occurrence of any major incident shall notify the Commission about such occurrence as directed to under the Tamil Nadu Electricity Distribution Code.

(4) The distribution licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its distribution business and any other matter concerning the distribution business that the Commission considers necessary in the public interest.

(5) The distribution licensee shall duly inform the Commission about any incident restricting it from meeting its obligations under its licence including any act of omission or commission by others and steps taken by the licensee to mitigate the effect of such incident.

(6) The Commission may at any time require the licensee to comply with the provisions of clauses (3) to (5) as to incidents which the Commission may specifically direct and the licensee shall be obliged to comply with the same notwithstanding that such incidents are not major incidents; provided that the time limits specified in clause (3) shall commence from the date that the Commission notifies licensee of such requirement.

(7) The distribution licensee shall submit a business plan, as required under the TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005, within three months of this licence coming into force and shall update such plan annually.

(8) The Commission may require the licensee to intimate by the end of first quarter of each financial year the progress made in implementing the business plan of the previous financial year with the comparison of actual implementation *vis-à-vis* the plan as approved by the Commission.

8. CAPITAL INVESTMENT PLAN

The licensee shall comply with the provisions relating to Capital Investment Plan as detailed in TNERC (Terms and Conditions for Determination of Tariff) Regulations – 2005.

9. PAYMENT OF LICENCE FEES

(1) Within thirty days or such further period as the Commission may allow after the date of commencement of the licence, the licensee shall pay to the Commission ¹[a fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004], on a prorata basis for the balance period of the year in quarterly instalments as specified in sub-clause (2).

(2) For the subsequent financial year(s), for as long as this Licence remains in force, the Licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission ²[an annual fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004.]

¹Substituted for the expression "a fee as may be determined by the Commission" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006 (w.e.f. 3-1-2007)

²Substituted for the expression "an annual licence fee as specified by the regulation" as per Commission's Notification No.TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006 (w.e.f. 3-1-2007)

(3) The Commission may, from time to time revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by such licensee on/or before the start of each financial year.

(4) Where the distribution licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:

(a) without prejudice to other obligations, the distribution licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the distribution licensee, the Commission may revoke this licence pursuant to section 19 of the Act and regulation 20 of these regulations.

(5) The distribution licensee shall be entitled to take into account any fee paid by it under this clause as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any interest paid pursuant to this clause.

10. AMENDMENT OF LICENCE CONDITIONS

Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under section 18 of the Act. The following provisions shall have effect for any alterations or amendments:

(a) where the licensee has made an application under sub-section (1) of section 18 of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9 (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

11. SETTLEMENT OF DISPUTES

The provisions contained in regulations 21 to 24 of these regulations, shall apply to any dispute between the distribution licensee and any generating company and such disputes shall be settled in accordance with the provisions contained in the said regulations.

12. SUSPENSION OF DISTRIBUTION LICENCE

The provisions relating to suspension of the distribution Licence and sale of utility as stipulated in section 24 of the Act is applicable and are reproduced below:

(1) "If at any time the Appropriate Commission is of the opinion that a distribution licensee-

(a) has persistently failed to maintain uninterrupted supply of electricity conforming to standards regarding quality of electricity to the consumers; or

(b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of this Act; or

(c) has persistently defaulted in complying with any direction given by the Appropriate Commission under this Act; or

(d) has broken the terms and conditions of licence,

and circumstances exist which render it necessary for it in public interest so to do, the Appropriate Commission may; for reasons to be recorded in writing, suspend, for a period not exceeding one year, the licence of the distribution licensee and appoint an Administrator to discharge the functions of the distribution licensee in accordance with the terms and conditions of the licence:

Provided that before suspending a licence under this section, the Appropriate Commission shall give a reasonable opportunity to the distribution licensee to make representations against the proposed suspension of licence and shall consider the representations, if any, of the distribution licensee.

(2) Upon suspension of licence under sub-section (1), the utilities of the distribution licensee shall vest in the Administrator for a period not exceeding one year or up to the date on which such utility is sold in accordance with the provisions contained in section 20, whichever is later.

(3) The Appropriate Commission shall, within one year of appointment of the Administrator under sub-section (1), either revoke the licence in accordance with the provisions contained in section 19 or revoke suspension of the licence and restore the utility to the distribution licensee whose licence had been suspended, as the case may be.

(4) In a case where the Appropriate Commission revokes the licence under sub-section (3), the utility of the distribution licensee shall be sold within a period of one year from the date of revocation of the licence in accordance with the provisions of section 20 and the price after deducting the administrative and other expenses on sale of utilities be remitted to the distribution licensee."

13. COMPLIANCE WITH THE GRID CODE BY THE DISTRIBUTION LICENSEE

The distribution licensee shall ensure due compliance with the Tamil Nadu Electricity Grid Code specified by the Commission under clause (h) sub-section (1) of section 86.

14. COMPLIANCE WITH THE ELECTRICITY SUPPLY CODE AND DISTRIBUTION CODE BY THE DISTRIBUTION LICENSEE

The distribution licensee shall ensure due compliance with the Tamil Nadu Electricity Supply Code and the Tamil Nadu Electricity Distribution Code as in force for the time being.

15. CONSUMER SERVICE

(1) The distribution licensee shall duly comply with the regulations specified by the Commission from time to time in regard to consumer services including the terms and conditions relating to consumer services contained in the Tamil Nadu Electricity Supply Code and Tamil Nadu Electricity Distribution Code and Tamil Nadu Electricity Distribution standards of performance regulations.

(2) *Payment of Bills*

The procedures regarding billing and payment of electricity charges outlined in Tamil Nadu Electricity Supply Code shall be followed both by the licensees and the consumers.

(3) *Complaint Handling Procedure*

The distribution licensee shall establish a forum for redressal of grievances of the consumers in accordance with the Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman, 2004, as specified by the Commission.

(4) *Consumer Rights Statement*

(a) The distribution licensee shall, within a reasonable period of time as specified by the Commission after the commencement of the licence or such other time as the Commission may allow, prepare and submit to the Commission for approval, a consumer rights statement, explaining to consumers their rights as Consumers serviced by such licensee. The Commission may, upon holding such consultation with the TNERC State Advisory Committee, and such other persons or bodies of persons who the Commission considers as representing the interests of consumers likely to be affected by it, make such modification of the statement, as it considers necessary in public interest.

(b) The Commission may, upon receiving a representation or otherwise, require such licensee to review the consumer rights statement prepared and the manner in which it has been implemented with a view to determining whether any modification should be made to it or to the manner of its implementation.

(c) The distribution licensee shall submit any revision to the consumer rights statement that it wishes to make to the Commission for its approval, including any representation received by such licensee and not accepted by it. The Commission may modify the existing consumer rights statement, as it considers necessary.

(d) The distribution licensee shall:

(i) draw to the attention of consumers, in such manner as the Commission may direct, the existence of its consumer rights statement and each substantive revision of it and how they may inspect or obtain a copy of such consumer rights statement in its latest form.

(ii) make a copy of its consumer rights statement, revised from time to time, available for inspection by members of the public at its offices during normal working hours; and

(iii) provide to all new consumers to be served by it, and to any other person who requests, a copy of the consumer rights statement, revised from time to time, at a price not exceeding the reasonable cost of duplicating it.

(5) The distribution licensee shall duly comply with the standards as the Commission may specify from time to time, in performing its duties under the Act.

16. DISTRIBUTION SYSTEM PLANNING AND SECURITY STANDARDS, DISTRIBUTION SYSTEM OPERATING STANDARDS

The Distribution licensee shall comply with the provisions outlined in Chapter 3 and 5 of the Tamil Nadu Electricity Distribution Code.

17. DUTY TO SUPPLY

The Distribution licensee shall comply with the provisions outlined in Regulation 27 of the Tamil Nadu Electricity Distribution Code.

18. POWERS TO RECOVER EXPENDITURE, RECOVER SECURITY

The Distribution licensee shall comply with the provisions outlined in Chapter 7 of the Tamil Nadu Electricity Distribution Code.

19. USE OF METERS

The distribution licensee shall comply with the requirements of the Act and the regulations, directions and orders of the Commission in regard to supply of electricity through meter as published in Regulation 7 of the Tamil Nadu Electricity Supply Code.

20. PROVISION OF SUBSIDIES TO CERTAIN CONSUMERS

The distribution licensee shall be guided by the provisions as per TNERC (Terms and Conditions for Determination of Tariff) Regulations, 2005.

21. POWERS OF THE LICENSEE FOR REVENUE REALISATION, PREVENTION OF METER TAMPERING, Etc.

The distribution licensee shall act as per the provisions in Chapters 2 and 4 of the Tamil Nadu Electricity Supply Code.

22. POWER TO ENTER PREMISES AND TO REMOVE FITTINGS OR OTHER APPARATUS OF LICENSEE

The distribution licensee shall act as per the provisions of Regulation 25 of the Tamil Nadu Electricity Supply Code.

23. THEFT OF ELECTRICITY, LINES, MATERIALS, INTERFERENCE WITH WORKS, Etc.

The distribution licensee shall act as per the provisions in Regulation 25 (B) of the Tamil Nadu Electricity Supply Code.

24. DISCONNECTIONS AND OTHER ACTIONS

The distribution licensee shall act as per the provisions of Regulation 21 of the Tamil Nadu Electricity Supply Code.

25. INTRODUCTION OF COMPETITION IN SUPPLY

(1) In accordance with section 14 of the Act, the Commission may, grant licence to two or more persons for distribution of electricity through their own distribution system within the same area of supply subject to the condition that the applicant meets the eligibility norms as specified by the Central Government pursuant to under clause (b) of sub-section (2) of section 176 of the Act. And no applicant who complies with all the requirements for grant of licence shall be refused licence on the ground that there already exists a licensee in the same area for the same purpose.

(2) As and when permitted by the Commission a consumer or a class of consumers can avail electricity from a person other than the licensee of his area of supply. In such a case the duties of the licensee shall be that of a "common carrier" providing non-discriminatory open access and the charges payable will be, determined by the Commission.

(3) The Commission may, fix only the maximum ceiling of tariff for retail sale of electricity in an area of supply having two or more distribution licensees.

26. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person who is a deemed licensee under section 14 of the Act.

SCHEDULE 1

Licensed Area of Distribution Licensee

The distribution system detailed below, covering the following circles/districts/geographical area in the state of Tamil Nadu, including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the provisions of the Electricity Act, 2003.

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.....

(By Order of the Commission)

Chennai
Dated

Sd/-
Secretary/TNERC.

Annexure 8

FORM No. 7: FORMAT AND CONDITIONS OF LICENCE OF AN ELECTRICITY TRADER

Licence granted for Trading in electricity

[See Regulations 15(4)]

The Tamil Nadu Electricity Regulatory Commission (hereinafter referred to as "the Commission"), in exercise of the powers conferred under section 14 of the Electricity Act, 2003 (Act 36 of 2003, hereinafter referred to as "the Act"), hereby grants this licence as a Category _____ trader to _____, (hereinafter referred to as "the licensee") to trade in electricity as an electricity trader in the area subject to the terms and conditions contained in the Act, (in particular, Sections 17 to 22 thereof, both inclusive), the rules made by the Central Government (hereinafter referred to as "the Rules") and the regulations specified by the Commission (hereinafter referred to as "the Regulations"), including statutory amendments, alterations, modifications, re-enactments thereof, which shall be read as part and parcel of this licence. The licence shall come into effect from

PART - I

DEFINITIONS

1. Words, terms and expressions to which meanings are assigned by the Electricity Act 2003 (36 of 2003) (hereinafter called the 'Act'), shall have the same meaning in these General Conditions.

2. Unless the context otherwise requires:

(a) "accounting statement" means for each financial year, accounting statements for the licensed business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) or the respective Acts under which the licensee is governed and such other particulars and details in the manner as the Commission may prescribe from time to time. If the trading licensee engages in any business or activity in addition to the licensed business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of other business of trading licensees and show specifically the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:

(i) charged from the licensed business to any other business or vice versa together with a description of the basis of that charge; or

(ii) determined by apportionment or allocation between the licensed business and any other business of the licensee together with a description of the basis of the apportionment or allocation.

(b) “**Act**” means the Electricity Act, 2003 (Act 36 of 2003)

(c) “**agreement**” means agreement entered into by the electricity trader with the seller of electricity, buyer of electricity, other licensees, State Load Despatch Centre, consumer etc. that enables the trading transactions;

(d) “**annual accounts**” means the accounts of the licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

(e) “**area of activity**” means the area of activity stated in the trading licence within which the licensee is authorised to trade;

(f) “**auditors**” means the licensee’s auditors holding office in accordance with the requirements of sections 224 to 234A or section 619 as appropriate, of the Companies Act 1956 (1 of 1956);

(g) “**authorised**”, in relation to any person, business or activity, means authorised by licence granted under section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to section 14 of the Act or exemption granted under section 13 of the Act and the regulations of the Commission;

(h) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission;

(i) “**Conduct of Business Regulations**” means the Tamil Nadu Electricity Regulatory Commission - Conduct of Business Regulations, 2004, for the time being in force;

(j) “**customer**” means any buyer purchasing electricity from the trader, viz. distribution licensee, any other trading licensee and any customer that the licensee gets into a sale agreement with.

(k) “**Force Majeure**” means events beyond the reasonable control of the licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;

(l) “**licence**” means a licence granted under section 14 of the Act;

(m) “**licensee**” means a person who has been granted a licence under section 14 of the Act;

(n) “**licensed business**” means the business of trading of electricity in the area of activity as authorised under the licence;

(o) “**open access**” means the non-discriminatory provision for the use of transmission lines or distribution lines or transmission systems or distribution systems or associated facilities with such lines or systems by any licensee or customer or a person engaged in generation in accordance with the regulations specified by the Commission;

(p) “**person**” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;

(q) “**regulations**” means the regulations made by the Commission, under the provisions of the Act;

(r) “**State**” means the State of Tamil Nadu;

(s) “**State Government**” means the Government of the State of Tamil Nadu;

(t) “**subsidiary**” shall have the same meaning as in section 4 of the Companies Act 1956 (1 of 1956);

(u) “**supply**” in relation to electricity means the sale of electricity to a licensee or consumer;

(v) “**Tamil Nadu Electricity Distribution Code**” means the Code published by the Commission under sections 46 and 86 of the Act;

(w) “**Tamil Nadu Electricity Supply Code**” means the Code published by the Commission under section 50 of the Act;

(x) “**trader**” means a person who has been granted a licence or deemed to be a licensee to undertake trading in electricity under section 14 of the Act;

(y) “**trading**” means purchase of electricity for resale thereof and the expression “trade” shall be construed accordingly;

(z) “**trading business**” means the authorised business of the trading licensee in the area of supply;

(aa) “**transfer**” shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;

(ab) “**transmit**” means conveyance of electricity by means of transmission lines and the expression “transmission” shall be construed accordingly;

(ac) “**transmission licensee**” means a licensee authorised to establish or operate transmission lines;

(ad) “**transmission system**” means the system consisting mainly of extra high voltage electric lines having design voltage of 33 KV and higher, owned or controlled by the transmission licensee, and used for the purposes of the conveyance of electricity and includes all bays/equipments upto the interconnection with the distribution system, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a distribution system.

PART - II

GENERAL CONDITIONS

3. PERIOD & TRANSFERABILITY OF THE LICENCE

(1) The trading licence shall come into force on the date specified by the Commission in the order granting such licence and unless revoked earlier, in accordance with the regulation 20 of these regulations or under section 19 of the Act, shall remain in force for 25 (Twenty five) years from that date.

(2) This trading licence is not transferable, except in accordance with the provisions of the Act, the rules and the regulations.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

(1) The trading licensee shall comply with the provisions of the Act, rules, regulations, orders and directions issued by the Commission from time to time.

(2) The trading licensee shall act in accordance with this General Conditions except where the licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically permitted by the Commission for any deviation therefrom.

(3) The trading licensee shall duly comply with the order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

5. DUTIES OF THE TRADING LICENSEE

(1) The trading licensee may engage in the business of trading in electricity in the State provided that any such sale or supply of electricity to customer subject to the trade margin that may be fixed by the Commission from time to time.

(2) The trading licensee shall have in place all agreements, including the billing and settlement agreement, for the purchase, sale and supply of electricity and all necessary authorisations as required by it to be able to perform its obligations under such agreements.

(3) The trading licensee shall not without the prior approval of the Commission:

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee in its area of activity; or

(b) acquire any beneficial interest in any generating company or generating station or distribution licensee or any other trading licensee; or

(c) merge its utility with any other licensee within the State; or

(d) assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise;

Any agreement relating to any transaction referred to in sub-clause (a) to sub-clause (d) unless made with the approval of the Commission, shall be void.

(4) To obtain the approval of the Commission as aforesaid, the licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf and the Commission shall dispose such application expeditiously.

(5) The grant of this trading licence to the licensee shall not in any way hinder or restrict the right of the Commission to grant a licence to any other person within the same area for trading in electricity as an electricity trader. The trading licensee shall not claim any exclusivity.

(6) The trading licensee shall carry out trade by entering into appropriate contracts. Necessary safeguards with regard to supply of electricity through trading, or payment for the electricity traded shall be included in the agreements between the parties. All trading arrangements shall be done through the letters of credit or with any other superior instrument.

(7) If the contract of the trading licensee with its customer is for a fixed term, then prior to the expiry of such fixed term, the licensee shall inform the customer as to when the term expires and the tariffs and terms and conditions applicable to the customer beyond the expiry of the contract, if the arrangement is continued.

(8) The trading licensee shall comply with the requirements of laws in force and, in particular, the provisions of the Act, the rules and the regulations, Tamil Nadu Electricity Grid Code, Tamil Nadu Electricity Distribution Code, Tamil Nadu Electricity Supply Code, other codes, orders and directions issued by the Commission from time to time.

(9) The trading licensee shall maintain an up to date register or record of all the business transactions.

(10) The trading licensee shall be governed by the technical requirement, capital adequacy requirement and creditworthiness specified by the Commission in these regulations, for being an electricity trader and shall upgrade these technical and capital adequacy requirements including staff, when the volume of trade increases.

(11) The trading licensee shall increase its network if the quantum of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded cumulated as on 31st March of each year of which the licensee shall keep the Commission informed of his moving from one category to the other and subsequent changes in the network.

(12) The trading licensee shall establish adequate communication facilities like telephone, fax, computer, internet facilities before undertaking the trading.

(13) The trading licensee shall render all assistance to any person authorised by the Commission for carrying out his duties relating to the licence.

¹[(14) The trading licensee shall pay the licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission Fees and Fines Regulations 2004]

(15) The trading licensee shall purchase the energy required for meeting its obligation under its licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the regulations, guidelines, directions made by the Commission from time to time.

6. ACCOUNTS

(1) Unless otherwise permitted by the Commission the financial year of the trading licensee for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April to the following thirty-first of March.

(2) The trading licensee shall, in respect of the licensed business and any other business:

(a) prepare on a consistent basis from such accounting records and deliver to the Commission

(i) the accounting statements;

(ii) in respect of the first six months of each financial year, a half yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time such statements and documents to be published in the manner prescribed by the Commission;

(iii) in respect of the accounting statements prepared, an auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and

(iv) a copy of each half yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the accounting statements and auditor's report not later than six months after the end of the financial year to which they relate.

(3) The trading licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the accounting standards or rules and any guidelines issued by the Commission in this regard.

¹Substituted as per Commission's Notification No. **TNERC/REGULATIONS/F&F/4/2-1, dated 16-11-2006** (w.e.f. **3-1-2007**) which before substitution stood as under:

“(14) The trading licensee shall pay the licence fee specified under these regulations in accordance with the time-schedule specified hereunder.”

(4) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the licensee shall, if requested by the Commission (in addition to preparing accounting statements on those bases which it has adopted), prepare such accounting statements on the basis which it applied in respect of the immediately preceding financial year.

(5) Accounting statements under sub-clause (2) above shall, unless or otherwise approved or directed by the Commission:

- (a) be prepared and published with the annual accounts of the trading licensee, in the manner provided herein;
- (b) state the accounting policies adopted;
- (c) be prepared in accordance with generally accepted Indian accounting standards; and
- (d) be prepared in the form as the Commission may stipulate from time to time;

(6) The references to costs or liabilities of, or reasonably attributable to licensed business or other business shall be construed as excluding taxation and capital liabilities which do not relate principally to such business and interest thereon.

(7) The trading licensee shall ensure that the accounting statements in respect of each financial year prepared under sub-clause (2) and the auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any Person requesting them at a price not exceeding the reasonable cost of duplicating them.

(8) The Commission may, from such time it considers appropriate, require the licensee to comply with the provisions of clause (1) to (7) above treating the trading and other activities of the licensee as separate and distinct businesses and shall comply with any guidelines issued by the Commission in this regard.

(9) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the trading licensee and the licensee shall render all necessary assistance to such person.

7. PROVISION OF INFORMATION TO THE COMMISSION

(1) The trading licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any other business of the licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the State Transmission Utility, The State Load Dispatch Centre, the Central Commission and/or the Central Electricity Authority.

(2) The trading licensee shall furnish the information as may be required from time to time to monitor the licensee's performance and compliance of the terms and conditions of the licence and any other legislative or regulatory requirement in the manner required by the Commission.

(3) The trading licensee shall file the annual revenue requirements, at a time as may be directed by the Commission, and in the form and manner specified thereof, to enable the Commission to determine the trading margin, wherever necessary.

(4) The trading licensee shall duly inform the Commission about any incident restricting it from meeting its obligation under the licence granted including any act of omission or commission by others and steps taken by the licensee to mitigate the effect of such incident. The trading licensee shall notify the Commission as soon as possible the occurrence of any other incident which materially affect any part of its trading activities and in any event, by not later than thirty days from the date of such occurrence:

(a) submit a report to the Commission giving full details of the facts within the knowledge of the licensee regarding the incident and its cause; and

(b) give copies of the report to all parties concerned with such incident and to such other persons as the Commission may direct.

(5) The Commission may by order, after providing an opportunity of hearing, direct the trading licensee to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the licensee.

(6) The Commission may at any time require the trading licensee to comply with the provisions of this clause 6 in a manner the Commission may direct and the licensee shall be obliged to comply with the same.

(7) The trading licensee shall submit a business plan in accordance with the provisions of TNERC (Terms and Conditions for Determination of Tariff) Regulations - 2005.

8. CAPITAL ADEQUACY, CREDIT WORTHINESS NORMS TO BE MAINTAINED

(1) The trading licensee shall duly comply with the regulations, guidelines, directions and orders the Commission may issue from time to time in regard to the technical and financial parameters and norms to be maintained at all times by the trading licensee.

(2) The networth at any point of time during the operation of trading shall not reduce below 75% of the minimum requirements specified for the respective category of trader and shall be replenished at the end of every quarter ending March, June, September and December every year to the above specified levels. An audited certificate of compliance would need to be submitted to the Commission for every quarter within a period of 30 days from the end of that quarter.

(3) The trader shall make reasonable endeavours to maintain investment grade credit rating obtained from a leading independent Credit Rating Agency for all debts throughout the period they remain on the books of the trader.

(4) The non-maintenance of the technical and financial parameters as per sub-clause (1) above shall amount to a material breach of the obligations by the licensee;

(5) The trading licensee shall maintain the technical resources as specified in the regulations and provide to the Commission details of any changes justifying the adequacy of its capability to cater to the volume of trade it handles;

(6) If the trading volume of the licensee exceeds its specified maximum volume of trade, then the licensee shall immediately inform the Commission and increase its networth as specified in the regulations. In case of non-reporting of such an event the Commission shall levy compensation to the licensee for such negligence and the licence shall be liable for revocation.

(7) The increased networth shall remain in force till such time the increased networth consistently exceeds the requirement for a particular volume of trade through three consecutive months. On any such consistent reduction in volume of trade, the networth requirement may be revised in proportion to the average traded volumes during the three months, specified herein.

9. PAYMENT OF LICENCE FEES

(1) Within thirty days or such further period as the Commission may allow after the coming into force of this licence, the licensee shall pay to the Commission ¹[a licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004] , on a prorata basis for the balance period of the year in quarterly instalments as specified in sub-clause (2)

(2) For the subsequent financial year(s), for as long as this licence remains in force, the licensee shall, in four equal instalments by the 10th of April, 10th of July, 10th of October and 10th of January in each year, or such further period as the Commission may allow, pay to the Commission ²[an annual licence fee as specified in regulation 9 of the Tamil Nadu Electricity Regulatory Commission-Fees and Fines Regulations 2004]

(3) The Commission may, from time to time revise the annual licence fee payable by the licensee. The Commission may publish such notice, detailing the annual licence fee payable by the licensee on/or before the start of each financial year.

(4) Where the trading licensee fails to pay to the Commission any of the fees due under sub-clauses (1) or (2) by the due dates:

(a) without prejudice to other obligations, the licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of two percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the licensee, the Commission may revoke this licence pursuant to section 19 of the Act and regulation 20 of these regulations.

(5) The trading licensee shall be entitled to take into account any fee paid by it under this clause as an expense in the determination of aggregate revenues, but shall not take into account any interest paid pursuant to this clause.

(6) In case the trading licensee has moved from a lower Category to a higher Category, the balance of licence fee applicable to the licensee for such changed category shall be paid before 30th April of each year.

¹Substituted for the expression "a fee as may be specified by the Commission" as per Commission's Notification No.**TNERC/REGULATIONS/F&F/4/2-1,dated 16-11-2006** (w.e.f. 3-1-2007)

²Substituted for the expression "an annual licence fee as specified by the Regulation " as per Commission's Notification No.**TNERC/REGULATIONS/F&F/4/2-1,dated 16-11-2006** (w.e.f. 3-1-2007)

10. AMENDMENT OF LICENCE CONDITIONS

Any terms and conditions of licence may be altered or amended by the Commission at any time in public interest in exercise of powers under section 18 of the Act. The following provisions shall have effect for any alterations or amendments:

(a) where the licensee has made an application under sub-section (1) of section 18, of the Act proposing any alteration or modifications to the terms and conditions of licence, the licensee shall publish a notice of such application with such particulars and in such manner as specified in Regulation 9 (1) (a) of these regulations;

(b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall make any alterations or modifications only with the consent of the Central Government;

the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

11. SETTLEMENT OF DISPUTES

The provisions contained in regulations 24 to 27 of these regulations, shall apply to any dispute between the trading licensee and any generating company or transmission licensee or consumers or distribution licensee and such disputes shall be settled in accordance with the provisions contained in the said regulations.

12. TARIFF, TRADING MARGINS AND EXPECTED REVENUE CALCULATION

(1) The trading licensee shall calculate the expected revenue from charges, which it is permitted to recover in accordance with the provisions of the Act, the regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

(2) The trading licensee shall file the expected revenue calculation in the manner provided in the Conduct of Business Regulations and consistent with the regulations issued under section 61 of the Act.

(3) Unless otherwise provided in the Special Conditions or in any order or direction made by the Commission the licensee shall every year, not later than 31st November, submit to the Commission a Statement with full details of its expected aggregate revenues and cost of service for the ensuing financial year for its licensed business in accordance with the provisions of the Act and the regulations, guidelines and orders issued by the Commission from time to time.

13. COMPLIANCE AND SUBMISSION OF INFORMATION TO STATE LOAD DESPATCH CENTRE & CENTRAL ELECTRICITY AUTHORITY

(1) The trading licensee shall comply with the provisions of codes and regulations published / specified by the Commission and directives of the Commission issued from time to time;

(2) The trading licensee shall submit to the State Load Dispatch Centre (SLDC) all such information pertaining to the trade of electricity by the licensee, provided further that the SLDC shall verify the information provided by the licensee on quantum of electricity traded as against its reports and submit a review report to the Commission.

(3) The trading licensee shall submit information to the Central Electricity Authority as required under section 74 of the Act in accordance with clause (i) of section 73 of the Act;

(4) The trading licensee shall pay the SLDC charges as may be specified by the Commission from time to time;

(5) The distribution licensee(s) when trading with other distribution licensee(s) shall comply with the Commission's specified ceiling value of trading margin.

(6) The trading licensee shall comply with the requirements under section 66 of the Act as may be specified by the Commission to promote the development of market;

14. PRUDENTIAL REPORTING

The trading licensee, shall, as soon as practicable report to the Commission:

(a) Any significant changes in its circumstances which may affect the licensee's ability to meet its obligations under the Act, rules and regulations directions/orders issued by the Commission, the Tamil Nadu Electricity Grid Code, agreement or the licence.

(b) Any material breach of the provisions of the Act, the rules and the Regulations, directives/orders issued by the Commission, the Tamil Nadu Electricity Grid Code, the Tamil Nadu Electricity Distribution Code, the Tamil Nadu Electricity Supply Code, agreement or the licence.

(c) Any major change in shareholding pattern, ownership or management of the licensee.

15. COMMUNICATION

(1) All communications relating to the trading licence shall be in writing and shall be delivered either in person to the addressee or his authorised agent, or sent by registered/speed post to the place of business of the addressee.

(2) All communications shall be regarded to have been given by the sender and received by the addressee:

(a) when delivered in person to the addressee or to his authorised agent;

(b) on expiry of fifteen days from the date of sending by registered/ speed post at the address of the addressee.

16. INTRODUCTION OF COMPETITION IN TRADING

(1) The Commission may grant licence to more than one person to trade in the same area of activity of the licensee subject to the proviso to section 14 of the Act.

(2) The Commission may, after considering applicable Government policy and in consultation with the licensees and generating companies, formulate arrangements for the introduction of competition in supply / promote the development of a market (including trading of power) in the State. These consultations will adhere to the principles of natural justice, financial viability of the sector and will afford a reasonable opportunity to the affected parties to represent their perspectives in the matter.

(3) The Commission may, with reasons recorded in writing, and after providing reasonable opportunity to the licensee to be heard, issue such appropriate orders modifying or amending the conditions of this licence, as it shall consider appropriate for the purpose of implementing the arrangements referred to in this clause.

(4) The trading licensee shall arrange systems and other resources necessary for complying with this clause.

(5) The trading licensee in any circumstances shall not enter into any Agreement or abuse its dominant position or enter into a combination, which is likely to cause or causes an adverse effect on competition in the electricity industry.

(6) If the trading licensee anticipates that it will be unable to meet any of the obligations under this clause, it shall as soon as possible notify the Commission and give sufficient reasons for the same.

17. APPLICATION OF THE GENERAL CONDITIONS TO DEEMED LICENSEES

The conditions as set out herein above are applicable to any person who is a deemed licensee under section 14 of the Act.

SCHEDULE 1**Area of Activity****The following circles/districts in the state of Tamil Nadu:**

... including cantonment, aerodrome, fortresses, arsenal, dockyard or camp or any building or place in occupation of Central Government for defence purposes and without however affecting the rights of any other Licensee or exemption holder, as the case may be, under the provisions of the Electricity Act, 2003

(By order of the Commission)

Chennai
Dated

(Sd/-)
Secretary/TNERC

Annexure-9**EXTRACTS FROM THE ARBITRATION & CONCILIATION ACT, 1996****61. Application and Scope**

(1) Save as otherwise provided by any law for the time being in force and unless the parties have otherwise agreed, this Part shall apply to conciliation of disputes arising out of legal relationship, whether contractual or not and to all proceedings relating thereto.

(2) This Part shall not apply where by virtue of any law for the time being in force certain disputes may not be submitted to conciliation.

62. Commencement of conciliation proceedings

(1) The party initiating conciliation shall send to the other party a written invitation to conciliate under this Part, briefly identifying the subject of the dispute.

(2) Conciliation proceedings shall commence when the other party accepts in writing the invitation to conciliate.

(3) If the other party rejects the invitation, there will be no conciliation proceedings.

(4) If the party initiating conciliating does not receive a reply within thirty days from the date on which he sends the invitation or within such other period of time as specified in the invitation, he may elect to treat this as a rejection of the invitation to conciliate and if he so elects, he shall inform in writing the other party accordingly.

63. Number of conciliators:-

(1) There shall be one conciliator unless the parties agree that there shall be two or three conciliators.

(2) Where there is more than one conciliator, they ought, as a general rule, to act jointly.

64. Appointment of conciliators:-

(1) Subject to sub-section (2),-

(a) in conciliation proceedings with one conciliator, the parties may agree on the name of a sole conciliator;

(b) in conciliation proceedings with two conciliators, each party may appoint one conciliator;

(c) in conciliation proceedings with three conciliators, each party may appoint one conciliator and the parties may agree on the name of the third conciliator who shall act as the presiding conciliator.

(2) Parties may enlist the assistance of a suitable institution or person in connection with the appointment of conciliators, and in particular,-

(a) a party may request such an institution or person to recommend the names of suitable individuals to act as conciliator; or

(b) the parties may agree that the appointment of one or more conciliators be made directly by such an institution or person:

Provided that in recommending or appointing individuals to act as conciliator, the institution or person shall have regard to such considerations as are likely to secure the appointment of an independent and impartial conciliator and, with respect to sole or third conciliator, shall take into account the advisability of appointing a conciliator of a nationality other than the nationalities of the parties.

65. Submission of Statements to conciliators:-

(1) The conciliator, upon his appointment, may request each party to submit to him a brief written statement describing the general nature of the dispute and the points at issue. Each party shall send a copy of such statement to the other party.

(2) The conciliator may request each party to submit to him a further written statement of his position and the facts and grounds in support thereof, supplemented by any documents and other evidence that such party deems appropriate. The party shall send a copy of such statement, documents and other evidence to the other party.

(3) At any stage of the conciliation proceedings, the conciliator may request a party to submit to him such additional information as he deems appropriate.

Explanation:- In this section and all the following sections of this Part, the term "conciliator" applies to a sole conciliator, two or three conciliators as the case may be.

66. Conciliator not bound by certain enactments:-

The conciliator is not bound by the Code of Civil Procedures, 1908 or the Indian Evidence Act, 1872.

67. Role of conciliator:-

(1) The conciliator shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute.

(2) The conciliator shall be guided by principles of objectivity, fairness and justice, giving consideration to, among other things the rights and obligations of the parties, the usages of the trade concerned and the circumstances surrounding the dispute, including any previous business practices between the parties.

(3) The conciliator may conduct the conciliation proceedings in such a manner as he considers appropriate, taking into account the circumstances of the cases, the wishes the parties may express, including any request by a party that the conciliator hear oral statements, and the need for a speedy settlement of the dispute.

(4) The conciliator may, at any stage of the conciliation proceedings, make proposals for a settlement of the dispute. Such proposals need not be in writing and need not be accompanied by a statement of the reasons therefor.

68. Administrative assistance:-

In order to facilitate the conduct of the conciliation proceedings, the parties, or the conciliator with the consent of the parties, may arrange for administrative assistance by a suitable institution or person.

69. Communication between conciliator and parties:-

(1) The conciliator may invite the parties to meet him or may communicate with them orally or in writing. He may meet or communicate with the parties together or with each of them separately.

(2) Unless the parties have agreed upon the place where meetings with the conciliator are to be held, such place shall be determined by the conciliator, after consultation with the parties, having regard to the circumstances of the conciliation proceedings.

70. Disclosure of information:-

When the conciliator receive factual information concerning the dispute from a party, he shall disclose the substance of that information to the other party, he shall disclose the substance of that information to the other party in order that the other party may have the opportunity to present any explanation which he considers appropriate:

Provided that when a party gives any information to the conciliator subject to a specific condition that it be kept confidential, the conciliator shall not disclose that information to the other party.

71. Co-operation of parties with conciliator:-

The parties shall in good faith co-operate with the conciliator and, in particular, shall endeavour to comply with requests by the conciliator to submit written materials, provide evidence and attend meetings.

72. Suggestions by parties for settlement of dispute:-

Each party may, on his own initiative or at the invitation of the conciliator, submit to the conciliator suggestions for the settlement of the dispute.

73. Settlement agreement:-

(1) When it appears to the conciliator that there exist elements of a settlement, which may be acceptable to the parties, he shall formulate the terms of a possible settlement and submit them to the parties for their observations. After receiving the observations of the parties, the conciliator may reformulate the terms of a possible settlement in the light of such observations.

(2) If the parties reach agreement on a settlement of the dispute, they may draw up and sign a written settlement agreement. If requested by the parties, the conciliator may draw up, or assist the parties in drawing up, the settlement agreement.

(3) When the parties sign the settlement agreement, it shall be final and binding on the parties and persons claiming under them respectively.

(4) The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each of the parties.

74. Status and effect of settlement agreement:-

The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal under section 30.

75. Confidentiality:-

Notwithstanding anything contained in any other law for the time being in force, the conciliator and the parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement.

76. Termination of conciliation proceedings:-

The conciliation proceedings shall be terminated –

- (a) by the signing of the settlement agreement by the parties on the date of the agreement; or
- (b) by a written declaration of the conciliator, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or
- (c) by a written declaration of the parties addressed to the conciliator to the effect that the conciliation proceedings are terminated, on the date of the declaration; or
- (d) by a written declaration of a party to the other party and the conciliator, if appointed, to the effect that the conciliation proceedings are terminated, on the date of the declaration.

77. Resort to arbitral or judicial proceedings:-

The parties shall not initiate, during the conciliation proceedings, any arbitral or judicial proceedings in respect of a dispute that is the subject matter of the conciliation proceedings except that a party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights.

78. Costs:-

(1) Upon termination of the conciliation proceedings, the conciliator shall fix the costs of the conciliation and give written notice thereof to the parties.

(2) For the purpose of sub-section (1), "costs" means reasonable costs relating to-

(a) the fee and expenses of the conciliator and witnesses requested by the conciliator with the consent of the parties;

(b) any expert advice requested by the conciliator with the consent of the parties;

(c) any assistance provided pursuant to clause (b) of sub-section (2) of section 64 and section 68;

(d) any other expenses incurred in connection with the conciliation proceedings and the settlement agreement.

(3) The costs shall be borne equally by the parties unless the settlement agreement provides for a different apportionment. All other expenses incurred by a party shall be borne by that party.

79. Deposits:-

(1) The conciliator may direct each party to deposit an equal amount as an advance for the costs referred to in sub-section (2) of section 78, which he expects will be incurred.

(2) During the course of the conciliation proceeding, the conciliator may direct supplementary deposits in an equal amount from each party.

(3) If the required deposits under sub-section (1) and (2) are not paid in full by both the parties within thirty days, the conciliator may suspend the proceedings or may make a written declaration of termination of the proceedings to the parties effective on the date of that declaration.

(4) Upon termination of the conciliation proceedings, the conciliator shall render an accounting to the parties of the deposits received and shall return any unexpended balance to the parties.

80. Role of conciliator in other proceedings:-

Unless otherwise agreed by the parties,-

(a) the conciliator shall not act as an arbitrator or as a representative or counsel of a party in any arbitral or judicial proceedings in respect of dispute that is the subject of the conciliation proceedings;

(b) the conciliator shall not be represented by the parties as a witness in any arbitral or judicial proceedings.

81. Admissibility of evidence in other proceedings:-

The parties shall not rely on or introduce as evidence in arbitral or judicial proceedings, whether not such proceedings relate to the dispute that is the subject of the conciliation proceedings,-

(a) views expressed or suggestions made by the other party in respect of a possible settlement of the dispute;

(b) admissions made by the other party in the course of the conciliation proceedings;

(c) proposals made by the conciliator;

(d) the fact that the party had indicated his willingness to accept a proposal for settlement made by the conciliator.

82. Power of High Court to make rules:-

The High Court may make rules consistent with this Act as to all proceedings before the Court under this Act.

83. Removal of difficulties:-

(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not consistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty;

(2) Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(3) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

84. Power to make rules:-

(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Ordinance.

(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

85. Repeal and saving:-

(1) The Arbitration (Protocol and Convention) Act, 1937, the Arbitration Act, 1940, and the Foreign Awards (Recognition and Enforcement) Act, 1961 are hereby repealed.

(2) Notwithstanding such repeal,-

(a) the provisions of the said enactments shall apply in relation to arbitral proceedings which commenced before this Act came into force unless otherwise agreed by the parties by this Act shall apply in relation to arbitral proceedings which commenced on or after this Act comes into force;

(b) all rules made and notifications published, under the said enactments shall, to the extent to which they are not repugnant to this Act, be deemed respectively to have been made or issue under this Act.

86. Repeal of Ordinance 27 of 1996 and saving:-

(1) The Arbitration and Conciliation (Third) Ordinance 1996 is hereby repealed.

(2) Notwithstanding such repeal any order rule notification or scheme made or anything done or any action taken in pursuance of any provision of the said Ordinance shall be deemed to have been made done or taken under the corresponding provisions of this Act.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

FEES AND FINES REGULATIONS, 2004

(as amended upto 31-12-2010)

Notification No TNERC/ Regulations/ F&F/ 4 / 2-5 / dated 20-01-2010

No.VI(2)/240/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:-

- (1) Tamil Nadu Electricity Fees and Fines Regulations, 2004
(Notification No.TNERC/F&F/4/2, dated 08-01-2004) (Gazette Publication dated 18-02-2004)
- (2) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2006
(Notification No.TNERC/F&F/4/2-1, dated 16-11-2006) (Gazette Publication dated 03-01-2007)
- (3) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2008
(Notification No.TNERC/F&F/4/2-2, dated 03-06-2008) (Gazette Publication dated 25-06-2008)
- (4) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2008
(Notification No.TNERC/F&F/4/2-3, dated 17-06-2008) (Gazette Publication dated 23-07-2008)
- (5) Tamil Nadu Electricity Fees and Fines Amending Regulations, 2009
(Notification No.TNERC/F&F/4/2-4, dated 11-05-2009) (Gazette Publication dated 03-06-2009)

AND WHEREAS, the Commission considers it necessary that the above code with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the Public, to enable them to have a better understanding of the said Code alongwith the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Tamil Nadu Fees & Fines Regulations 2004 as amended upto 31-12-2009 in the ensuing Part VI – Section 2 of the *Tamil Nadu Government Gazette*.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

FEES AND FINES REGULATIONS, 2004

Notification No. TNERC/ Regulations/F&F/4/2/ dated 08-01-2004

No.VI(2)/241/2011.—

In exercise of powers conferred on it by clause (g) of sub-section (1) of Section 86 of the Electricity Act 2003 (Act 36 of 2003) and all powers enabling it in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations. These regulations supersede “TAMIL NADU ELECTRICITY REGULATORY COMMISSION - FEES AND FINES REGULATIONS, 2002” published in notification No.TNERC/Regulations/ F&F/4/1, dated 25-09-2002 in the Gazette dated October 2002, of Government of Tamil Nadu.

Short title and commencement.

1. (i) These Regulations may be called the “Tamil Nadu Electricity Regulatory Commission – Fees and Fines Regulations, 2004”.

(ii) They shall come into force on the date of their publication in the *Tamil Nadu Government Gazette*.

Definitions.

2. In these Regulations, the words or expressions shall bear the same meaning as in the Electricity Act 2003 or the other regulations published by the Commission.

Fees and Fines.

3. (i) Every petition, application or grievance made to the Commission shall be made by payment of the appropriate fees specified in '[the schedule to] these regulations.

(ii) The fees or the fines payable to the Commission as prescribed under these regulations or Conduct of Business Regulations shall normally be paid by means of bank

¹The word “**the schedule to**” omitted as per Commission’s Notification No. TNERC/Regulations/ F&F/4/2-2, dated 03-06-2008 (w.e.f. 03-06-2008)

draft or Banker's cheque, drawn in favour of the Secretary, Tamil Nadu Electricity Regulatory Commission, payable at Chennai. For amounts not exceeding Rs. 500, Secretary may accept cash payments. Licensees may be permitted to issue cheques, payable at Chennai.

(iii) The payments received as above by the Secretary of the Commission shall be deposited in a Bank Account to be maintained by the Commission in such branches as the Commission may direct from time to time.

(iv) The Commission shall be entitled to add, amend, alter or waive the amounts of fees or fines payable as provided in these regulations by an order to be made in this regard.

4. For purposes of convenience and the knowledge of public, the petitions presented before the Commission shall be categorized as follows:

(i) Petitions for Licensing to be registered as TNERC - LP No.. of

(ii) Tariff petitions to be registered as TNERC - TP No., ... of

(iii) Dispute Resolution Petition to be registered as TNERC - DRP No..... of ...

(iv) Review petition to be registered as TNERC- RP No... of

(v) Miscellaneous petition to be registered as TNERC- MP No. of....

(vi) Consumer grievances about utility or general nature and not falling under Miscellaneous petition – to be treated as normal office disposal.

5. The fees payable to State Load Dispatch Centre by the Generating Companies and Licensees engaged in Intra State Transmission of electricity as stipulated under sub-section (3) of section 32 of the Act shall be decided by the Commission from time to time.

6. The fee structure for (a) determination of grid, bulk or retail tariff (b) transmission tariff and review petitions on these tariff (c) petitions/ applications for approval of power purchase or procurement process [and (d) Miscellaneous is furnished in the table below]

Categories of
Petitions,
Applications
etc.

Fees payable
to State
Load
Despatch
Centre.

Fees for Tariff
petitions
including
Power
Purchase
Agreements
and
Miscellaneous.

¹ Substituted as per Commission's Notification No. **TNERC/Regulations / F&F/4/2-2, dated 03-06-2008 (w.e.f. 03-06-2008)** which before substitution stood as under:

"and (d) Miscellaneous are furnished under this section"

¹[TABLE]

No.	Nature of Application / Petition	Fees
1	Determination of grid, bulk or retail tariff	0.025% of the revenue receipts in the preceding year in case of an existing licensee or the expected revenue, receipts in the year for which the tariff is to be determined by the Commission in the case of a new licensee, as the case may be.
2	Determination of transmission tariff	Rs. 1 lakh
3	Review of Tariff Order as in (1) and (2) above for a	
	(a) Request by the original tariff petitioners themselves	Rs.25,000/-
	(b) Request by an association / group	Rs.15,000/-
	(c) Request by an individual consumer	Rs.1,000/-
² [3-A]	[Determination of capital cost of Projects wherein the power Purchase agreement has not been approved by the Commission]	[Rs.2,000/- per MW or part thereof]
4	Approval of power purchase or procurement process	
	³ [(i) If the agreement is for a period of one year and above which relates to Conventional fuel based plant]	² [Rs.2,500 per MW or part thereof]
	³ [(ii) If the agreement is for a period of one year and above which relates to Non-Conventional & Renewable sources of energy including co-generation]	² [Rs.2,000 per MW or part thereof]
	³ [(iii) If the agreement is for a period of less than one year which relates to Conventional fuel based plant]	² [Rs.1,250 per MW or part thereof]
	³ [(iv) If the agreement is for a period of less than one year which relates to Non-Conventional & Renewable sources of energy including co-generation]	² [Rs.1,000 per MW or part thereof]
	⁴ [Note:-In cases where the Commission declines to approve a power purchase Agreement, the fees paid at the time of filing the said application shall be refunded after deducting any reasonable expenses incurred by the Commission in processing the said petition or application, as may be decided by the Commission]	
5	Review of order passed on power purchase or procurement process	Rs.50,000/-

^{1,2} [Inserted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-2, dated 03-06-2008 (w.e.f. 03-06-2008)]

³[Substituted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-4, dated 11-05-2009 (w.e.f. 03-06-2009) which before substitution stood as under :

Approval of power purchase or procurement process

(a) Conventional fuel based plant

Rs.2,500 per MW or part thereof

(b) Non-conventional & renewable sources of energy including co-generation

Rs.2,000 per MW or part thereof

⁴[Inserted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-3, dated 17-06-2008 (w.e.f. 23-07-2008)]

6	(a) Miscellaneous applications ¹ [filed by individuals] not covered by other listed categories	[Rs.500/-]
	² [(b) Miscellaneous applications not covered by other listed categories and filed by any organization registered under the Companies Act, 1956 (Act 1 of 1956) or any firm or Other Corporate Body]	[Rs.5000/-]
	³ [(c) For any Interlocutory Application in any main petition filed before the Commission]	[Rs.100/-]
7	Miscellaneous applications not covered by other listed categories and filed by an association / group	Rs.10,000/-
⁴ [7-A]	⁴ [For adjudication of disputes between licensees and generating Companies under Section 86(1) (f) of the Act]	³ [Rs.10,000/-]
8	For review or correction of any Order of the Commission on account of typographical or clerical error or mistakes	Nil
9	Inspection of orders or records of the Commission	Rs.100/- per day
10	Supply of copies of documents / orders of the Commission	Rs. 3/- per page
11	Complaint against the working of a utility by the end user/ consumer	Nil

7. For various offences, non-compliances of the Act provisions, directions of the Commission, etc., the fines and penalties shall be governed by the respective provisions in the Act and Conduct of Business Regulations.

Fines and penalties

8. The fees to be paid for an appeal petition against the orders of the Assessing Officer under sub-section (1) of section 127 of the Act shall be separately specified by the Commission.

Fees payable for appeal petition under Section 127(1) of the Act:

⁵[9 . (1) The fees to be accompanied with application for grant of license under sub-section (1) of section 15 of the Act shall be as prescribed by the Government under clause (a) of sub-section (2) of Section 180 of the Act.

(2) The Licence fee payable by a licensee under the Tamil Nadu Electricity Regulatory Commission (Licensing) Regulations 2005 shall be as set out in the following Table:

¹[Substituted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-3 dated 17-06-2008 (w.e.f. 23-07-2008) which before substitution stood as under :

"6 Miscellaneous applications not covered by other listed categories Rs.100/-"

^{2,3}[Inserted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-3, dated 17-06-2008] (w.e.f. 23-07-2008)

⁴[Inserted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-2, dated 03-06-2008 (w.e.f. 03-06-2008)]

⁵[Substituted as per Commission's Notification No. TNERC/Regulations/F&F/4/2-1 dated 16-11-2006 (w.e.f. 03-01-2007)] which before substitution stood as under :

"9 As stipulated in sub-section (2) under Section 180 of the Act, the Licence fee for various licences shall be payable at the rates prescribed by the Government of Tamil Nadu."

Licensing Fee

TABLE Payment of Licence Fees		
<i>S.No.</i>	<i>Particulars</i>	<i>Fees</i>
(a)	Initial Licence Fees	
(i)	Transmission	Rs.1000/MW of projected capacity subject to a minimum of Rs.1 lakhs and maximum of Rs.20 lakhs
(ii)	Distribution	0.002 paise per unit of electricity estimated to be sold during the year subject to a minimum of Rs.2 lakhs and maximum of Rs.10 lakhs.
(iii)	Trading	0.04% of value estimated to be traded subject to a minimum of Rs.2 lakhs
(b)	Annual Licence Fees	
(i)	Transmission	Rs.500/MW of capacity available at the end of previous year subject to a minimum of Rs.50,000/- and maximum of Rs.10 lakhs.
(ii)	Distribution	0.002 paise per unit of electricity proposed to be sold during the year subject to a minimum of Rs.2 lakhs.
(iii)	Trading	0.02% of value estimated to be traded subject to a minimum of Rs.1 lakh
(c)	Grant of Exemption under Section 13 of the Electricity Act 2003	Rs.10,000/-
(d)	Making amendments / alterations to the terms and conditions of licence under Section 18	Rs.20,000/-
(e)	Grant of prior approval under section 17 of the Act	Rs.10,000/-

(By order of the Tamil Nadu Electricity Regulatory Commission)

R. BALASUBRAMANIAN,
Secretary,
Tamil Nadu Electricity
Regulatory Commission.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman 2004

(As amended up to 31-12-2010)

Notification No. TNERC/CGR&EO/6-4, Dated 07-01-2010

No.VI(2)/242/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:—

- (1) Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman (Notification No.TNERC/CGR&EO/6/1, Dated 08-01-2004)
- (2) Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman (Amendment) 2005 (Notification No.TNERC/CGR&EO/6-1, Dated 03-10-2005)
- (3) Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman (Amendment) 2007 (Notification No.TNERC/CGR&EO/6-2, Dated 22-02-2007)

AND WHEREAS, the Commission considers it necessary that the above Regulations with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the public, to enable them to have a better understanding of the said Regulation along with the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Regulation for Consumer Grievance Redressal Forum and Electricity Ombudsman as amended up to 31-12-2009 in the ensuing Part VI-Section 2 of the *Tamil Nadu Government Gazette*.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

**REGULATIONS FOR CONSUMER GRIEVANCE REDRESSAL FORUM AND
ELECTRICITY OMBUDSMAN**

Notification No. TNERC/ CGR&EO/6/1 dated 8-1-2004

No.VI(2)/243/2011.—

In exercise of the power conferred on it by Section 181 read with sub-sections (5), (6) and (7) of section 42 of The Electricity Act, 2003 (Act No. 36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission makes the following Regulations, namely:—

PART - 1 - GENERAL

1. (i) These Regulations may be called the "Regulations for Consumer Grievance Redressal Forum and Electricity Ombudsman, 2004". Short title,
Commence-
ment
- (ii) These extend to the whole of the State of Tamil Nadu.
- (iii) These shall come into force on 10-6-2004.
2. In these Regulations, unless the context otherwise requires: Definitions
 - (a) "Act" means the Electricity Act, 2003.
 - (b) "area of supply" means the area within which a distribution licensee is authorized by his/her/their licence to supply electricity.
 - (c) "Chairperson" means the Chairperson of the forum.
 - (d) "Commission" means the Tamil Nadu Electricity Regulatory Commission.
 - (e) "complainant" means—
 - (i) a consumer of electricity supplied by the Licensee including applicants for new connections;
 - (ii) any voluntary consumer association registered under the Companies Act, 1956 (1 of 1956) or under any other law for the time being in force;
 - (iii) the Central Government or any State Government - who or which makes the complaint;

(iv) one or more consumers, where there are numerous consumers having the same interest;

(v) in case of death of a consumer, his legal heirs or representatives.

(f) "complaint" means any grievance made by a complainant in writing on:-

(i) defect or deficiency in electricity service provided by the licensee;

(ii) unfair or restrictive trade practices of licensee in providing electricity services;

(iii) Charging of a price in excess of the price fixed by the Commission for consumption of electricity and allied services;

(iv) Electricity services which will be unsafe or hazardous to public life in contravention of the provisions of any law for the time being in force.

(g) "consumer" means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person as the case may be.

(h) "defect" means any fault, imperfection or shortcoming in the quality, quantity, purity or standard of service, equipment or material which is required to be maintained by or under any law for the time being in force or under any contract, express or implied, or as is claimed by the distribution licensee in any manner whatsoever in relation to electricity service.

(i) "deficiency" means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of supply which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by distribution licensee in pursuance of a contract agreement or otherwise in relation to electricity service or performance standard, violations of Electricity Supply Code, contraventions of Act, Rules or Regulations made thereunder with regard to consumer interest.

(j) "distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.

(k) "Electricity Ombudsman" means an authority to be appointed or designated by the Commission, under sub-clause (6) of Section 42 of the Act, with whom a representation may be made in accordance with sub-clause 17 (1) of these Regulations.

(l) In particular and without prejudice to the generality of the term the "electricity service" means electricity supply, metering, billing, maintenance of electrical energy, maintenance of distribution system and all other attendant sub service etc.

(m) "Forum" means 'forum for redressal of grievances of consumers' to be constituted by each distribution licensee in accordance with these Regulations.

(n) "Licensee" means a person who has been granted a licence under Section 14 of the Act.

(o) Words and expressions used and not defined in these Regulations but defined in the Act, or the Consumer Protection Act, 1986 (68 of 1986) shall have the meanings respectively assigned to them in these Acts.

PART-II CONSUMER GRIEVANCE REDRESSAL FORUM

3. (1) Every distribution licensee shall establish a forum or forums for redressal of grievances of the consumers in accordance with these Regulations.

(2) A licensee may establish more than one forum so as to ensure that any consumer in the area of supply of the licensee shall not have to travel more than 100 Kilometres to submit his complaint with the forum for redressal. The concentration of the consumers in a particular area and the number of complaints expected to be received and the constraints of the forum in disposing of the complaint within the stipulated time frame may also be taken into account to determine the places and the number of forums to be established.

(3) The head office of the forum shall be at such place(s) as each distribution licensee may specify in accordance with the sub-clause 3 (2)

(4) The forum shall consist of three members to be appointed by the distribution licensee with the following composition.

(a) Chairperson of the forum shall be a full time officer of the licensee not lower in rank than the rank of Superintending Engineer.

(b) One member shall be a person with 15 to 20 years experience in financial / legal profession and shall be nominated by the District Collector of the district where the forum is head quartered.

(c) Another member shall be from a registered society of NGO or a consumer organization or a consumer activist and shall be nominated by the District Collector of the district where the forum is head quartered.

(5) Every member of the forum except the Chairperson shall hold office for a term of three years and shall not be eligible for reappointment as such. Provided that no member shall hold office as such after he has attained the age of sixty two years. The person occupying the designated post of the Distribution Licensee to act as Chairperson shall be deemed to be the Chairperson of the forum.

(6) The quorum of the forum shall be two among the three members, which includes the Chairperson. The post of the Members shall not be kept vacant for more than two months.

(7) The honorarium for each sitting shall be decided by the Licensee subject to approval by the Commission and TA / DA and other allowances payable to the members shall be as applicable to Class I officers of the State Government.

¹[The Chairperson shall make use of his office space, secretarial staff and other facilities for efficient functioning of Forum. The members by virtue of their office shall not be entitled to claim any separate accommodation in the office premises of Chairperson or any separate secretarial staff and other facilities. The members of the forum may avail of the office premises of the Chairperson and the secretarial staff, only for the limited purpose of attending the sittings of the Forum on the days on which they are scheduled to be held and dictating the decisions of the forum to the secretarial staff appointed for the above purpose without causing any inconvenience or prejudice to the normal use of office premises and secretarial staff for discharging their normal functions.]

(8) Notwithstanding anything contained in sub-clause 3(5), a Member (other than the Chairperson) may relinquish his office by giving in writing to the Licensee a notice of not less than two months.

(9) Notwithstanding anything contained in sub-clause 3(5), where the Commission is satisfied that in the public interest or for the reason of incapacity of any Member, it is necessary so to do, it may for reasons to be recorded in writing remove any Member from his office.

Constitution of
forum(s) for
redressal of
consumer
grievances.

¹**Substituted as per Commission's Notification No. TNERC/CGR&EO/6-1 dated 03-10-2005, (w.e.f. 07-12-2005) which before substitution stood as under:**

"The office space, secretarial support and other facilities required by members for efficient functioning of forum shall be provided by the distribution licensee"

Jurisdiction of the forum.	<p>4. Subject to the other provisions of these Regulations, the forum shall have jurisdiction to entertain the complaints within the jurisdiction of the distribution licensee. If there is more than one forum in the same Licensee's area, then the area of jurisdiction may be decided by the Licensee in accordance with sub-clause 3 (2).</p>
Kind of grievances that can be taken up by the forum.	<p>5. The forum shall take up any kind of grievances/complaints as defined in clause 2 (f) of these Regulations. However, the consumer's grievances concerned with</p> <p style="padding-left: 40px;">(i) unauthorized use of electricity as detailed u/s 126 and</p> <p style="padding-left: 40px;">(ii) offences and penalties as detailed u/s 135 to 141 of the Electricity Act 2003 are excluded from the purview of this forum.</p> <p>6. (1) The Licensee shall notify details such as the address, telephone numbers and email address of the Forum often in the media. The Licensee shall make available copies of the procedure for lodging complaints to the Complainants at free of cost. The applications/bills/receipts issued by the Licensee to the consumers shall contain the address of the concerned Consumer Grievance Redressal Forum and the statement 'Complainants whose grievance is not redressed by the official of the Licensee may approach the Consumer Grievance Redressal Forum' shall also be printed on it.</p>
Grievance filing procedure.	<p>(2) Every grievance to the forum must be submitted in writing to the Chairperson of the forum in the complaint format given in Annexure-I. The complaint can also be lodged through email to the respective forum's email ID (which will be published by them widely). Such mode of complaint can be in text format with the required information and address of the complainant.</p>
Grievance handling procedure for the forum.	<p>7. (1) On receipt of the grievance from any complainant, the chairperson shall make endorsement on the grievance subscribing his dated initial. Grievances received shall be registered and serially numbered for each year.</p> <p>(2) Within seven working days of receipt of a consumer grievance, the forum shall send an acknowledgement to the complainant. If the grievance / petition is anonymous, the same shall be rejected on receipt and placed before the forum in the next available opportunity for recording the same.</p> <p>(3) On receipt of a complaint and following the procedure mentioned under sub-clause 7.1, the forum may, by order allow the complaint to be proceeded with or reject. Provided that the complainant shall be informed in writing if the complaint is rejected. Provided further that the admissibility of the complaint shall ordinarily be decided within 10 working days from the date on which the complaint was received. Where a complaint is allowed to be proceeded, the forum may proceed with the complaint in the manner provided under these Regulations.</p> <p>(4) A copy of the admitted complaint shall be forwarded simultaneously to the nodal officer of the concerned licensee for redressal or to file objection in writing if the licensee is not agreeable to the request of the complainant.</p> <p>(5) The licensee shall furnish the para-wise comments on the grievance within 15 days of receipt of the letter from the forum, failing which the forum shall proceed on the basis of the material record available. The complainant can represent himself or through a representative of his choice. Where the complainant or his representative fails to appear on the date of hearing before the forum, the forum may either dismiss the complaint for default or decide it on merits.</p> <p>(6) The forum shall be entitled to call for any record of the licensee and also from the complainant in respect of the grievance received by the forum for examination and disposal of the grievances.</p> <p>(7) On receipt of the comments from the licensee or otherwise, the forum shall complete enquiry as expeditiously as possible and every endeavour shall be made to pass appropriate order on the complaint within a maximum period of 2 months from the date of receipt of complaint by the forum.</p>

(8) All decisions shall be taken by a majority of votes by the members present and in the event of the equality of the votes, the facts may be recorded and referred to the Electricity Ombudsman for final orders. All the members present shall sign every order passed by the forum. ¹[The decisions of the forum shall be strictly in accordance with the provisions of the Act, the rules and regulations made thereunder and in particular the Tamil Nadu Electricity Supply Code and the Tamil Nadu Electricity Distribution Code and the directions of the Commission and it is not open to the Members and the Chairperson of the Forum to deviate either expressly or impliedly from the provisions of the Act or the rules or regulations made thereunder or the Tamil Nadu Electricity Supply Code or the Tamil Nadu Electricity Distribution Code or the directions of the Commission while taking the decisions by the forum.]

(9) The proceedings and decisions of the forum along with timeframe for compliance shall be recorded and communicated to the complainant and licensee for compliance.

(10) The licensee shall implement the decisions of the forum within the timeframe specified in the order and report compliance to the forum within 5 days of the implementation of the order.

(11) In respect of grievances on non implementation of standards of performance of licensee on consumer service specified by the Commission under section 57(1) of the Electricity Act 2003, if the forum finds that there was default of the licensee, it shall only hold that the consumer is entitled to the compensation and shall state that, the consumer if agreed, can accept the compensation prescribed by the Commission in the relevant Regulations.

8. Any person aggrieved by an order made by the forum may prefer an appeal against such order to the Electricity Ombudsman within a period of 30 days from the date of the order, in such form and manner as may be prescribed by the Commission.

Appeal

Provided that the Electricity Ombudsman may entertain an appeal after the expiry of the said period of 30 days if the Electricity Ombudsman is satisfied that there was sufficient cause for not filing it within that period.

Provided further that the Electricity Ombudsman shall entertain no appeal by any party, who is required to pay any amount in terms of an order of the forum, unless the appellant has deposited in the prescribed manner, twenty five percent of the amount as ordered by the forum.

9. The forum shall submit a report to the Commission on the category-wise number of complaints received, redressed and pending for every quarter of calendar year in the Format given in Annexure-II.

Monitoring Report

PART - III ELECTRICITY OMBUDSMAN

10. (1) The Tamil Nadu Electricity Regulatory Commission will designate / appoint one or more persons to be known as Electricity Ombudsman to carry out the functions entrusted to him by these Regulations.

Appointment and Tenure

(2) The minimum age of the person to be considered for appointment as Electricity Ombudsman shall be 58 years.

(3) The appointment of Electricity Ombudsman under this clause may be made for a period not exceeding three years. Provided that the tenure of an Electricity Ombudsman, may be extended by the Commission for further period not exceeding three years subject to an overall age limit of 65 years.

(4) The Electricity Ombudsman appointed under sub-clause 10(1) shall devote his whole time to the affairs of his office.

(5) Where the Commission is satisfied that in the public interest or for the reason of incapacity of the Electricity Ombudsman, it is necessary so to do, it may for reasons to be recorded in writing and by giving him three months' notice or by paying three months' consolidated emoluments in lieu of the notice period, remove any Electricity Ombudsman from his office.

11. The territorial limits of Electricity Ombudsman extend to the whole of the State of Tamil Nadu. If the Commission appoints more than one Ombudsman, the Commission shall specify the territorial limits.

Territorial Jurisdiction.

Location of office and Temporary Head Quarters.	12. The office(s) of the Electricity Ombudsman(s) will be located at such place(s) as Location of Office and may be specified by the Commission. In order to expedite disposal of complaints, the Electricity Ombudsman may hold sittings at such places within his area of jurisdiction as may be considered necessary and proper by him in respect of a complaint or reference, as the case may be, before him.
Qualification.	13. The Electricity Ombudsman appointed / designated should be a person with ability, integrity, conversant with the working of electricity sector and enjoying high reputation.
Remuneration.	14. The ¹ [salary] and other perquisites payable to Electricity Ombudsman will be determined by the Commission from time to time and shall be borne by the Distribution licensees in such proportion and in such manner as may be determined by the Commission.
Secretariat.	15. The Electricity Ombudsman shall be provided with a secretariat. The staff pattern and salary etc., shall be approved by the Commission. The cost of the secretariat will be shared by distribution licensees in such proportion as may be determined by the Commission.
Power and duties of Electricity Ombudsman.	<p>16. The Electricity Ombudsman shall have the following powers and duties.—</p> <p>(a) To receive the appeal petitions against the order of the consumer grievance redressal forum and consider such complaints and facilitate their satisfaction or settlement by agreement, through conciliation and mediation between a licensee and the aggrieved parties or by passing an award in accordance with the Act and Rules or Regulations made thereunder.</p> <p>(b) The Electricity Ombudsman shall exercise general powers of superintendence and control over his office and shall be responsible for the conduct of business thereat.</p> <p>(c) The Electricity Ombudsman shall have the powers to incur expenditure on behalf of the office. In order to exercise such power, the Electricity Ombudsman will draw up an annual budget for his office in consultation with Commission and shall exercise the powers of expenditure within the approved budget. The Commission will indicate the share of expenditure to be borne by the distribution licensees.</p>
Procedure for filing a complaint.	<p>17. (1) Any consumer, who is aggrieved on the order on the grievance or non- redressal of his grievances by forum constituted under section 42 (5) of the Electricity Act 2003 by licensees relating to providing of electricity supply, may himself or through his representative make a complaint to the Electricity Ombudsman. Complaints of common nature (which may be considered applicable to more than one forum) can be directly brought upto Electricity Ombudsman by a State level Consumer Association.</p> <p>(2) The complaint shall be in writing duly signed by the complainant or his authorised representative and shall state clearly the name of the individual or the organization, postal address, telephone number and email address (if any) of the complainant.</p> <p>(3) The complaint shall also contain the number of the service connection, category of the service, address of the location of the service connection, name of the local licensees' office and address against which the complaint is made, the facts giving rise to the complaint supported by documents if any and the relief sought from the Electricity Ombudsman.</p> <p>Note:—The Licensees shall ensure that the address of the Electricity Ombudsman to whom the appeals could be made by the consumers against the order of the forum are displayed in their premises. The Licensee shall ensure that copies of these Regulations are made available to the consumers on payment of a cost, which shall not be more than the cost of printing or reproduction.</p> <p>(4) No complaint to the Electricity Ombudsman shall lie unless:</p> <p>(a) The complainant had before making a complaint to the Electricity Ombudsman made a written representation to the forum of the licensee named in the complaint and either the forum had rejected the complaint or the complainant had not received any reply within a period of two months from date of filing of the grievance or the complainant is not satisfied with the reply given to him by the forum. This shall however not be applicable to the complaints of common nature described under clause 17 (1).</p> <p>(b) The complaint is made within three months after cause of action has arisen.</p> <p>(c) The complaint, which is not settled, is not in respect of the same subject, which was settled through the office of the Electricity Ombudsman in any previous proceedings whether received from the same complainant or along with one or more complainants or anyone or more of the parties concerned with the subject matter;</p>

¹Substituted for the expression "honorarium" as per Commission's Notification No. TNERC/CGRF&EO/6-2 dated 28.02.2007 (w.e.f. 14.03.2007)

(d) The complaint does not pertain to the same subject matter for which any proceedings before any court is pending or a decree or award or a final order has already been passed by any competent court; and

(e) The complaint is not frivolous or vexatious in nature.

18. The Electricity Ombudsman may reject the complaint at any stage if it appears to him that the complaint made is;

Rejection of the complaint.

(a) frivolous, vexatious, malafide ; or

(b) without any sufficient cause or;

(c) that it is not pursued by the complainant with reasonable diligence or;

(d) prima facie, there is no loss or damage or inconvenience caused to the complainant.

19. (1) For the purpose of carrying out his duties, an Electricity Ombudsman may require the licensee named in the complaint to furnish certified copies of any document relating to the subject matter of the complaint, which is or is alleged to be in its possession, within 15 days. Provided that in the event of failure of a licensee, without any sufficient cause, to comply with the requisition made under this clause, the Electricity Ombudsman may, if he deems fit, draw the inference that the information, if provided, or copies, if furnished, would be unfavourable to the licensee and proceed to settle the case on that basis.

Powers to call for information.

(2) The Electricity Ombudsman shall maintain confidentiality of any information or document coming into his knowledge or possession in the course of discharging his duties and shall not disclose such information or document to any person except with the consent of the person furnishing such information or document. Provided that nothing in this clause shall prevent the Electricity Ombudsman from disclosing information or document furnished by a party in a complaint to other party or parties, to the extent considered by him to be reasonably required to comply with the principles of natural justice and fair play in the proceedings.

20. (1) As soon as it may be practicable to do, the Electricity Ombudsman shall cause a notice of the receipt of any complaint along with a copy of the complaint to the concerned office of the licensee named in the complaint and endeavour to promote a settlement of the complaint by agreement between the complainant and the licensee named in the complaint through conciliation or mediation.

Settlement of complaint by agreement.

(2) For the purpose of facilitating for settlement of the complaint, the Electricity Ombudsman may follow such procedures, as he may consider appropriate.

(3) When a complaint is settled, through mediation of the Electricity Ombudsman, undertaken by him in pursuance of request made in writing by complainant and licensee through mutual agreement, the Electricity Ombudsman shall have the settlement recorded and signed in his presence and cause issuance of orders on the settlement of grievances by mutual agreement.

21. (1) Where the complaint is not settled by agreement under clause 20, the Electricity Ombudsman may determine the stage, the manner, the place, the date and the time of the hearing of the matter as the Electricity Ombudsman may consider appropriate.

Hearing of the matter.

(2) The Electricity Ombudsman may decide the matter on the pleadings by oath of both the parties and direct the parties to written note of arguments or submission in the matter. The parties can be represented in person or through representatives of their choice.

22. (1) Where the complaint is not settled by agreement under clause 20, the Electricity Ombudsman shall pass a speaking order with detailed reasoning that he thinks fair in the facts and circumstances of a claim.

Award.

(2) The order shall be in writing and shall state the full details of the award to the complainant and licensee.

(3) The Electricity Ombudsman shall pass an award within a period of three months from the date of receipt of the complaint.

(4) A copy of the award shall be sent to the complainant and the licensee named in the complaint. A copy of the award may also be sent to the concerned forum for information.

(5) The Licensee shall comply with the award within the period specified in the award and shall intimate the compliance to the Electricity Ombudsman.

Report of
Electricity
Ombudsman.

23. (1) The Electricity Ombudsman shall send to the Commission, by 1st May every year, a report containing a general review of the activities of his office during the preceding financial year and shall furnish such information as the Commission may direct.

(2) The Commission may, in the public interest, publish the report and the intimation from the Electricity Ombudsman in such consolidated form or otherwise as it deems fit.

Savings.

24. Nothing contained in these Regulations shall affect the rights and privileges of the consumers under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).

Powers to
remove
difficulties.

25. If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order, direct the licensee to take suitable action, not being inconsistent with the Electricity Act 2003, which appears to it to be necessary or expedient for the purpose of removing difficulties.

Powers to
amend.

26. The Commission may, at any time add, modify, delete or amend any provision of these Regulations subject to the provision of the Electricity Act, 2003.

(By Order of Tamil Nadu Electricity Regulatory Commission)

R. BALASUBRAMANIAN,
Secretary.
Tamil Nadu Electricity
Regulatory Commission.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

TAMIL NADU ELECTRICITY SUPPLY CODE (as amended upto 31-12-2010)

Notification No. TNERC/SC/7-24, dated 18/03/2011.

No.VI(2)/244/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:—

- (1) The Tamil Nadu Electricity Supply Code (TNESC)
(Notification No.TNERC/SC/7/1, dated 21-07-2004)
- (2) The Tamil Nadu Electricity Supply (Amendment) Code, 2005 (Notification No.TNERC/SC/7-1, dated 22-11-2005)
- (3) The Tamil Nadu Electricity Supply (Amendment) Code, 2006 (Notification No.TNERC/SC/7-2, dated 19-05-2006)
- (4) The Tamil Nadu Electricity Supply Code (Amending Regulation),
(Notification No.TNERC/SC/7-2(1), dated 20-09-2006)
- (5) The Tamil Nadu Electricity Supply (Amendment) Code, 2007
(Notification No.TNERC/SC/7-3, dated 10-04-2007)
- (6) The Tamil Nadu Electricity Supply (Amendment) Code, 2007
(Notification No.TNERC/SC/7-4, dated 25-05-2007)
- (7) The Tamil Nadu Electricity Supply (Second Amendment) Code, 2007
(Notification No.TNERC/SC/7-5, dated 23-08-2007)
- (8) The Tamil Nadu Electricity Supply Code, Distribution Code and Standard of
Performance (Amendment) Regulations, 2007
(Notification No.TNERC/SC/7-6, dated 03-12-2007)

- (9) The Tamil Nadu Electricity Supply (Second Amendment) Code, 2007 (Notification No.TNERC/SC/7-7, dated 14-12-2007)
- (10) The Tamil Nadu Electricity Supply (Second Amendment) Code, 2008 (Notification No.TNERC/SC/7-8, dated 06-06-2008)
- (11) The Tamil Nadu Electricity Supply Code (TNESC) (Notification No.TNERC/SC/7-9, dated 31-07-2008)
- (12) The Tamil Nadu Electricity Supply (Amendment) Code, 2008 (Notification No.TNERC/SC/7-10, dated 31-07-2008)
- (13) The Tamil Nadu Electricity Supply (Amendment) Code, 2008 (Notification No.TNERC/SC/7-11, dated 15-12-2008)
- (14) The Tamil Nadu Electricity Supply (Amendment) Code, 2009 (Notification No.TNERC/SC/7-12, dated 27-02-2009)
- (15) The Tamil Nadu Electricity Supply (Amendment) Code, 2009 (Notification No.TNERC/SC/7-13, dated 15-06-2009)
- (16) The Tamil Nadu Electricity Supply (Amendment) Code, 2009 (Notification No.TNERC/SC/7-14, dated 29-06-2009)
- (17) The Tamil Nadu Electricity Supply (Amendment) Code, 2009 (Notification No.TNERC/SC/7-15, dated 09-10-2009)
- (18) The Tamil Nadu Electricity Supply (Amendment) Code, 2009 (Notification No.TNERC/SC/7-16, dated 29-12-2009)
- (19) Tamil Nadu Electricity Supply Code (as amended upto 31-12-2009) (Notification No.TNERC/SC/7-17, dated 20-01-2010)
- (20) Tamil Nadu Electricity Supply Code (Notification No.SC/7-18 Dt. 03-05-2010 (Errata to Notification SC/7-14 Dt. 29-06-2009 in Tamil Version)
- (21) Tamil Nadu Electricity Supply Code (Amendment) 2010 (Notification No.TNERC/SC/7-19, dated 06-05-2010)
- (22) Tamil Nadu Electricity Supply Code (Amendment) 2010 (Notification No.TNERC/SC/7-20, dated 30-06-2010)
- (23) Tamil Nadu Electricity Supply Code (Amendment) 2010 (Notification No.TNERC/SC/7-21, dated 25-10-2010)

AND WHEREAS, the Commission considers it necessary that the above code with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the Public, to enable them to have a better understanding of the said Code alongwith the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Tamil Nadu Electricity Supply Code as amended upto 31-12-2010 in the ensuing Part VI—Section 2 of the *Tamil Nadu Government Gazette*.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
TAMIL NADU ELECTRICITY SUPPLY CODE

Notification No.TNERC/SC/7/1, Dated 21-07-2004

No.VI(2)/245/2011.—

WHEREAS under the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify an Electricity Supply Code to provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply, tampering, distress or damage to electrical plant, electric lines or meter, entry of distribution Licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plant or meter;

AND WHEREAS the regulations providing for, among others, the Electricity Supply Code shall be subject to the condition of previous publication; and has accordingly undergone previous publication;

NOW, THEREFORE, under section 50 of the said Electricity Act, 2003, read with section 181 thereof and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission hereby specifies the following Code.

CHAPTER 1: PRELIMINARY

1. Short title and commencement

- (1) This Code may be called the **Tamil Nadu Electricity Supply Code (TNESC)**.
- (2) It shall come into force on the date of publication of this Code in the *Tamil Nadu Government Gazette*.

2. Definitions

In this Code, unless the context otherwise requires:

- (a) “**Act**” means the Electricity Act 2003 (Act No. 36 of 2003)
- ¹[(aa) “**Board**” means, a State Electricity Board, constituted before the commencement of the Act, under sub-section (1) of section 5 of the Electricity (Supply) Act, 1948 (54 of 1948).]
- (b) “**Code**” means the Tamil Nadu Electricity Supply Code.
- (c) “**Commission**” means the Tamil Nadu Electricity Regulatory Commission.
- (d) “**Connected Load**” means the aggregate of the manufacturer’s rating of all equipments connected to the consumer’s installation and of all portable equipments and also the capacity of the power source required to test manufactured products and repaired equipment in the installation.

Explanation.— Where the rating is in terms of KVA, it shall be converted to KW by multiplying it by a power factor of 0.9 and where the rating is in terms of HP, it shall be converted to KW by multiplying it by a factor of 0.746.

- (e) “**Contracted Load**” means the load specified in the agreement between the consumer and the Licensee engaged in the business of supplying electricity to him.
- (f) “**Contracted Demand**” means the demand specified in the agreement between the consumer and the Licensee engaged in the business of supplying electricity to him.
- (g) “**Consumer**” means any person who is supplied with electricity for his own use by a Licensee, the Govt. or by any other person engaged in the business of supplying electricity to the public under the Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a Licensee, the Govt. or such other person, as the case may be;
- (h) “**Consumer Meter Card**” means a card provided at the low tension consumer’s premises for the purpose of recording the measurements relating to consumption of electricity and the charges for electricity consumed and other related charges. It shall also serve the purpose of a notice to the consumer of the due dates for payment and notice period for disconnection.
- ¹[(hh) “**distribution licensee**” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.]
- ²[(i) “**Engineer**” means an engineer, by whatever name designated, employed by the licensee and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code.”]
- (j) “**Extra High Tension (EHT) consumer**” means a consumer who obtains supply from the Licensee at Extra High Voltage.
- (k) “**High Tension (HT) consumer**” means a consumer who obtains supply from the Licensee at High Voltage.
- (l) “**Low Tension (LT) consumer**” means a consumer who obtains supply from the Licensee at Low or Medium Voltage:
- (m) “**Load**” means connected load or contracted load, as the case may be.
- (n) “**Load Factor**” means the ratio of the Average Demand for the month in terms of Kilowatts to the Maximum Demand for the month in terms of Kilowatts and the ‘Load Factor’ shall be calculated to three decimal places and rounded off to two decimal places.

¹Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated 25-05-2007 (w.e.f. 13-06-2007)**

²*Substituted as per Commission’s Notification No. TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007) which before substitution stood as under :*

“**Engineer**” means an engineer, by whatever name designated, employed by the Licensee possessing such qualifications as are approved by the Commission and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code”

(o) “**Month**” “unless the context otherwise requires, shall mean a month reckoned according to the British Calendar. With reference to billing and payment, it shall mean the period between the date of meter reading in a particular month and the corresponding date of meter reading of the immediately succeeding or preceding month as the context requires.

(p) “**Occupier**” means the person in occupation (whether as owner or otherwise) of the premises where electricity is used or intended to be used;

1[(pp) “**Person**” shall include any company or body Corporate or association or body of individuals, whether incorporated or not, or artificial juridical person.]

(q) “**Power Factor**” means the ratio of the real power to the apparent power and average power factor means the ratio of the Kilowatt-hours to the Kilovolt-ampere-hours consumed during the billing month.

(r) “**State Transmission Utility**” means the Board or the Government Company specified as such by the State Government

(s) “**Supply**”, in relation to electricity, means the sale of electricity to a Licensee or consumer.

Words and expressions used in this Code but not defined either in this Code or the Act or the General Clauses Act 1897 (Central Act 10 of 1897) shall have the same meanings as understood in the Engineering and Commercial circles

CHAPTER 2: ELECTRICITY CHARGES- BILLING AND RECOVERY

3. Categories of supply

Supply of electricity available to the consumer is of the following categories:-

a. Single-phase 2 wire 240 volts between phase and neutral for supply to a total connected load not exceeding 4000 watts (including power loads).

b. Three-phase 4 wire 415 volts between phases and 240 volts between phase and neutral for supply to a total connected load exceeding 4000 watts but not exceeding a demand of 112 KW.

c. The consumer may elect to avail supply under any one of the above categories where the connected load does not exceed 4000 watts.

d. Three-phase 3 wire, 11,000 volts and above between phases for power installation exceeding a demand of 112 KW, the minimum demand however being 63 KVA.

e. The consumer shall avail supply at 33 kV and above when the demand is 5 MVA and above.

4. Charges recoverable by the Licensee- The charges, recoverable by the Licensee from the consumers are:-

(1) Tariff related charges, namely,—

(i) The price of electricity supplied by him to the consumer which shall be in accordance with the tariff rates as the Commission may fix from time to time, for HT supply, LT supply, temporary supply and for different categories of consumers. In case the 2[***] supply is for construction of residential houses, housing complexes, the tariff shall be Commercial Tariff till the completion of construction and to be changed to appropriate tariff on completion. Where it is intended to use Floor polishing equipments, welding equipments for repairs/ maintenance and such other portable equipments temporarily in a premises having permanent supply, such use shall not be treated as temporary supply for purpose of levying charges. It shall be construed as regular consumption under the permanent supply tariff.

(ii) Demand charges for HT supply and fixed charges for LT supply shall be payable by the consumer in accordance with the rates as the Commission may fix from time to time for different categories of consumers.

³[(iii) Disincentive for power factor

Every consumer shall maintain a power factor -

in cae of LT supply, of 0.85 ; and

in case HT supply of 0.90

failing which he shall be liable to pay compensation by way of disincentive at such rates as the Commission may declare from time to time.]

¹Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-06-2007)**

²The word “**temporary**” omitted as per Commission’s Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-06-2007)**

³Substituted as per Commission’s Notification No. **TNERC/SC/7-21, dated 25-10-2010 (w.e.f. 01-08-2010)** which before substitution stood as under :

“(iii) Disincentive for power factor

Every consumer shall maintain a power factor-

In case of LT supply, of 0.85 lag and

In case HT supply, of 0.90 lag

failing which he shall be liable to pay compensation by way of disincentive at such rates as the Commission may declare from time to time. Likewise, the consumer who maintains the power factor above a specified level may be rewarded by way of incentive at such rates as the Commission may declare from time to time which shall be adjusted in the bill.”

(iv) Additional charges for harmonics dumping

Where any equipment installed by a consumer generates harmonics, the consumer shall provide adequate harmonic suppression units to avoid dumping of harmonics into Licensee's distribution system and the Licensee is at liberty to provide suitable metering equipment to measure the harmonic level pursuant to such harmonic. Where the consumer fails to provide such units, he shall be liable to pay compensation at such rates as the Commission may declare from time to time.

(v) The tax or duty, if any, on electricity supplied or consumed as may be levied by the State Government which shall be credited to the Government account as per the directions received from Government from time to time.

(vi) At the time of extension of period of temporary supply, it shall be ensured that the advance current consumption (CC) charges are adequate. The CC charges shall be adjusted against the advance CC charges.

(2) Miscellaneous charges, namely,—

- (i) Capacitor Compensation charge;
- (ii) Excess demand charge;
- (iii) Excess contracted load charge
- (iv) Belated payment surcharge
- (v) Additional security Deposit, when so called upon;
- (vi) Service / Line shifting charge
- (vii) Name transfer charge
- (viii) Reconnection charge
- (ix) Consumer meter card replacement charge
- (x) Dishonored cheque service charge
- (xi) Meter related charges
- (xii) Application Registration charge
- ²[(xiii) Service connection charges]
- ³[(xiv) Excess demand and excess energy charges during Restriction and Control of supply]

(3) Minimum charges where applicable**5. Miscellaneous charges****(1) Capacitor Compensation charge**

(a) No new LT service with a connected load of motors of 3 HP and above or for using welding transformers shall be given unless capacitors of adequate ratings with ISI marking are installed; ¹[The licensee shall specify appropriate capacitor ratings for different capacity motors / welding transformers].

(b) In the case of existing LT service connections ⁴[(which are not coming under the purview of power factor disincentive scheme)] with connected load of motors of 3 HP and above or for using welding transformers (irrespective of their rating), the consumer shall install adequate capacitors within a period of two months ²[(from the date of issue of notice issued by the licensee in this connection] and shall be liable to pay a compensation charge of ten percent of the price of electricity supplied to him for the preceding four months of consumption till such time adequate capacitors are installed; and where inadequate capacitors are installed or where some of the capacitors are defective, the ten percent shall be reckoned proportionate to the extent of inadequacy or defect, as the case may be;

(c) Where it is found that the capacitors installed are either inadequate or defective, the Licensee shall, in addition to the levy and collection of capacitor compensation charges, by notice in writing, call upon the consumer to install adequate capacitors or to rectify or to replace the defective capacitors, as the case may be, within two months from the date of notice.

^{1,2} Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

³ Inserted as per Commission's Notification No. **TNERC/SC/7-11, dated 15-12-2008 (w.e.f. 28-11-2008) (Gazette publication dated 28-01-2009).**

⁴ Substituted for the expression **"(which are not coming under the purview of power factor incentive / disincentive scheme)"** as per Commission's Notification No. **TNERC/SC/7-21 dated 25.10.2010 (w.e.f. 01.08.2010)**

(2) Excess demand charge

Whenever the consumer exceeds the sanctioned demand, excess demand charge shall be:—

(i) In the case of HT supply, the maximum demand charges for any month shall be based on the KVA demand recorded in that month at the point of supply or such percentage of sanctioned demand as may be declared by the Commission from time to time whichever is higher. The exceeded demand shall alone be charged at double the normal rate.

(ii) In case of LT supply,

(a) For Domestic and Agricultural category of service, the excess demand charges shall not be applicable.

¹[(b) For other categories of LT services with contracted demand equal to or less than 18.6 KW (25 HP), the excess demand charges shall not be applicable where the connected load is equal to or less than the contracted demand.

Note: For services with contracted demand less than or equal to 18.6 KW (25 HP), whenever the consumer's connected load exceeds the contracted demand, the licensee shall install meters with demand recording facility and bring the consumer under the scope of excess demand chargeable category. After installation of the meter, if the recorded demand is in excess of contracted demand, the existing demand, shall, after intimation to the consumer, be revised to the level of recorded demand and all relevant charges applicable for extension of additional demand shall be included in the next bill. No excess demand charge is leviable till such time the licensee installs meter with demand recording facility and bring the consumer under the scope of excess demand chargeable category.]

(c) For the remaining LT services other than those service connections covered in (a) and (b) above, when the contracted demand is in excess of 18.6KW (25HP) and for such of those consumers whose contracted demand is less than 18.6 KW (25HP) but opted for having meters with demand recording facility, the excess demand charges shall be - ,

(I) Where the recorded demand does not exceed 112 KW, for every KW or part thereof in excess of the sanctioned demand, at the rate of 1% of the total energy charges;

(II) where the recorded demand exceeds 112KW, for every KW or part thereof in excess of sanctioned demand:-

- for the first two occurrences, at the rate of 1% of the charges for electricity supplied up to 112 kW;
- and 1.5% for every KW or part thereof over and above 112KW,
- and thereafter, that is, the third and subsequent occurrences at the rate of three percent for every KW or part thereof over and above 112KW.

(III) Where the recorded demand exceeds the sanctioned demand for the second and subsequent times ,-

(A) In case the recorded demand has not exceeded 112 KW, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence to the level of recorded demand and all the relevant charges applicable to the additional load shall be included in the next bill ;

(B) In case the recorded demand has exceeded 112 KW,, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence, to the level of 112 KW and all relevant charges applicable to the additional load shall be included in the next bill; if, however, the recorded demand has exceeded 112 KW for the third or more number of times, it is open to the consumer to opt for HT service.

(iii) In the case of temporary supply, the excess demand charges shall be the difference between the minimum charges for temporary supply computed at the rate notified, for a back period of six months or date of supply whichever is lesser, and the corresponding current consumption charges already recovered from the consumer.

¹Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007** (w.e.f. **13-6-2007**) which before substitution stood as under:

(b) For other categories of LT services where the contracted demand and connected load is equal to or less than 18.6 KW (25 HP), the excess demand charges shall not be applicable.

Note: 1. Even if a consumer's contracted demand is equal to or less than 18.6 KW (25 HP), or the connected load is more than the contracted demand but less than 18.6 KW (25 HP) as the case may be, the licensee shall install meters with demand recording facility and bring the consumer under the scope of excess demand chargeable category. After installation of the meter, if the recorded demand is in excess of contracted demand, the existing demand, shall, after intimation to the consumer, be revised to the level of recorded demand and all relevant charges applicable for extension of additional demand shall be included in the next bill. No excess demand charge is leviable till such time the licensee installs meter with demand recording facility and bring the consumer under the scope of excess demand chargeable category.

¹[(iv) No addition or reduction of load in case of LT service and no addition or reduction of demand in case of HT service, may be sanctioned unless the outstanding dues in the same service connection had been paid.]

(3) Excess Contracted load charge

These charges are applicable to the subsidized category of Agricultural service connections, which need to be regulated with a view to-

(i) Comply with the contracted load until the cross subsidy from other sources are eliminated and a viable tariff is implemented for agricultural services.

(ii) Comply with the directives of Government towards restriction on exploitation of ground water for irrigation and environmental constraints.

Accordingly, special provisions have been made in this Code in relation to agricultural service connections as below and they shall remain in force until cross subsidy from other sources / categories are eliminated

(a) No electric motor shall be used in Agricultural service connections without its manufacturer's nameplate indicating its rating/capacity permanently affixed on it.

²[(b) If, at the time of effecting service connections under Agricultural category, it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer shall refuse to effect supply. If the intending consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, he may make an appeal to the next higher officer, furnishing certificate regarding capacity of motor issued by Government /Government Laboratory/any agency accredited/approved by Bureau of Energy Efficiency. The decision of the next higher officer shall be final and binding on the consumer.]

(c) If during periodical check or inspection of an existing Agriculture service connection by the Engineer, it is found that the name plate of any motor does not show the correct capacity of the motor or the name plate is missing or the rating of such motor as assessed by the Engineer authorized in this behalf is in excess of the rating noted in the Test Report, action shall be taken under this Code ³[to recover the excess contracted load charges on the basis of the assessed capacity of the motor].

⁴[(d) If the existing consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, a letter may be issued to the consumer asking him to test the motor for its capacity at Government Laboratory or by any other agency accredited by Bureau of Energy Efficiency at the cost of the consumer and produce the test report of such Government Laboratory or agency to the officer concerned within two months from the date of issue of such letter. However, after producing such test report, the charges shall be adjusted to the certified load in the subsequent Consumption Charge bills.]

The excess contracted load charges for both metered and unmetered supply shall be sixty rupees per HP per month prospectively and as long as the excess contracted load remains connected.

¹Inserted as per Commission's Notification No. **TNERC/SC/7-1, dated 22-11-2005 (w.e.f. 7-12-2005).**

²Substituted as per Commission's Notification No **TNERC/SC/7-4 dated 25-5-2007 (w.e.f. 13-6-2007)** which before substitution stood as under :

(b) If, at the time of effecting service connections under Agricultural category, it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer shall refuse to effect supply. If the intending consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, he may make an appeal to the next higher officer, furnishing certificate regarding capacity of motor issued by any agency acceptable to the Licensee. The decision of the next higher officer shall be final and binding on the consumer.

³Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007).**

⁴Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)** which before substitution stood as under :

(d) If the existing consumer challenges the decision regarding the assessed capacity of the motor made by the Engineer, a letter may be issued to the consumer asking him to test the motor for its capacity at Government Laboratory or by any other agency acceptable to the Licensee at the cost of the consumer and produce the same to the officer concerned within two months from the date of issue of such letter.

(4) Belated payment surcharge (BPSC)

(i) All bills are to be paid in the case of HT consumers, within the due date specified in the bill and in the case of LT consumers, within the due date and notice period specified in the consumer meter card.

¹[(ii) (a) Where any HT consumer neglects to pay any bill by the due date, he shall be liable to pay belated payment surcharge from the day following the due date for payment. Where any LT consumer (except services relating to Public lighting and water supply and other services belonging to Local Bodies) neglects to pay any bill by the last day of the notice period, he shall be liable to pay belated payment surcharge from the day following the last day of the notice period.

(b) Where the local bodies neglect / fail to pay any bills in respect of LT services for Public Lighting and Public Water Works, and other services of Local Bodies, the belated payment surcharge shall be applicable for the payments made beyond 60 days from the date of demand. In case of payment made beyond 60 days from the date of demand, the belated payment surcharge shall be payable from the day following the 60th day of demand.

(c) The surcharge shall be for a minimum period of fifteen days and where the delay exceeds fifteen days but does not exceed one month, it shall be for the number of whole months, and for any fraction of a month, it shall be proportionate to the number of days”.]

(iii) If the due date in the case of HT consumers and the last day of the notice period in the case of LT consumers falls on a holiday, the surcharge is payable from the day following the next working day.

²[³***](iv) In the case of LT Consumers (except Local Bodies) the surcharge shall be 1.5% per month for the outstanding arrears towards the price of electricity supplied. In respect of LT services belonging to Local Bodies, the surcharge shall be 0.5% per month for the outstanding arrears towards the price of electricity supplied]

⁴[⁵***]

(v) In the case of HT consumers except Local Bodies and Government Departments the surcharge shall be 1.5% per month for the notice period. In the case of Local Bodies and Government Departments, the surcharge shall be 1% per month for the notice period.

¹Substituted as per Commission's Notification No **TNERC/SC/7-7 dated 14-12-2007 (w-e-f- 9-1-2008)** which before substitution stood as under :

(ii) Where any HT consumer neglects to pay any bill by the due date, he shall be liable to pay belated payment surcharge from the day following the due date for payment- Where any LT consumer neglects to pay any bill by the last day of the notice period, he shall be liable to pay belated payment surcharge from the day following the last day of the notice period- The surcharge shall be for a minimum period of fifteen days and where the delay exceeds fifteen days but does not exceed one month, it shall be for one whole month and where the delay exceeds one month, it shall be for the number of whole months and for any fraction of a month it shall be proportionate to the number of days.

²Substituted as per Commission's Notification No. **TNERC/SC/7-1, dated 22-11-2005 (w-e-f- 7-12-2005)** which before substitution stood as under :

(iv) “In case of LT consumers the surcharge shall be 1.5% per month for the sum outstanding towards the price of electricity supplied.

³Substituted as per Commission's Notification No. **TNERC/SC/7-7, dated 14-12-2007 (w-e-f- 9-1-2008)** which before substitution stood as under :

(iv) “In case of LT consumers (except Local Bodies and Government Departments) the surcharge shall be 1.5% per month for the sum outstanding towards the price of electricity. In case of Local Bodies and Government Departments, the surcharge shall be 1% per month for the sum outstanding towards the price of electricity.

⁴Substituted as per Commission's Notification No. **TNERC/SC/7-1, dated 22-11-2005 (w-e-f- 7-12-2005)** which before substitution stood as under:

(v) In the case of HT consumers the surcharge shall be 1.5% per month for the notice period- However, for the consumers who are availing of extension of time beyond the notice period, on an application to the Licensee, the BPSC shall be at 3% per month from the expiry of the due date allowed for payment for a full month irrespective of number of days delayed- Where no extension of time is granted or the delay continues after the expiry of extended time, the surcharge shall be at 1.5 % per month

⁵Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f- 13-6-2007)** which before substitution stood as under:

(v) In case of HT consumers, the surcharge shall be 1.5% per month for the notice period. However, for the consumers who are availing of extension of time beyond the notice period upto the end of the due month, (on an application to the licensee) BPSC shall be 2% per month from the expiry of the due date allowed for payment of a full month irrespective of number of days delayed. When no extension of time is granted or the delay continues after the expiry of extended time, the surcharge shall be at 1.5% per month

However for the consumers who are availing of extension of time beyond the notice period up to the end of the due month, on an application to the licensee, the BPSC shall be at 2% per month from the expiry of the due date allowed for payment, for a full month irrespective of the number of days delayed. When no extension of time is granted or the delay continues after the expiry of the extended time, the surcharge shall be at 1.5% per month].

(vi) In case of sums other than price of electricity supplied which are outstanding, surcharge shall be leviable at the discretion of the Licensee at a rate not exceeding 1.5 % per month.

(vii) In the case of short assessment included in a subsequent bill, surcharge shall accrue in the case of HT consumers, after the due date for the payment of the subsequent bill wherein the short assessment is included and in the case of LT consumers, it shall accrue from the day following the last day of the notice period.

(viii) In the case of short assessment permitted to be payable in installments, the surcharge shall accrue only when there is default in the payment schedule and the surcharge shall be worked out from the day following the day on which the installment fell due and shall be payable along with the amount of installment due.

(ix) Where the service connection stands terminated, the amount of Security Deposit and the interest accrued thereon shall first be adjusted against belated payment surcharge and the remainder if any, against other dues.

(x) The belated payment surcharge is payable only on any outstanding amount excluding belated payment surcharge component.

(xi) The belated payment surcharge shall not be levied on electricity tax and electricity tax shall not be levied on the belated payment surcharge.

¹[Explanation: In this regulation and other regulations of this code, the reference to the expression 'HT Consumer' shall be deemed to include a reference to the expression 'EHT consumer' also].

(5) Additional Security Deposit

(i) The adequacy of security deposit may be reviewed and refixed once in a year in case of HT consumers and once in every two years in case of LT consumers taking into account the interest due for credit. Such reviews shall be made in the month of April/May. The rate of interest on the security deposit shall be on the basis of the Commission's directive to the Licensees in this regard.

(ii) The adequacy of security deposit shall be based on the periodicity of billing for the respective category.

(a) For the categories of consumer under monthly billing, the Security Deposit is equivalent to two times of the monthly average of the electricity charges for the preceding twelve months prior to April.

(b) For the categories of consumer under bi-monthly billing, the Security Deposit is equivalent to three times of the monthly average of the electricity charges for the preceding twelve months.

(c) For the categories of consumer under half yearly billing, the security deposit is equivalent to seven times of the average charges per month.

(iii) Interest at Bank rate or more as specified by the Commission shall be calculated and credited to the Security Deposit accounts of the consumers at the beginning of every financial year i.e. April and the credit available including the interest shall be informed to each consumer before the end of June of every year.

²[(iv) If available deposit is less than the revised Security deposit, the balance shall be collected as Additional Security deposit. Intimation of such Additional Security Deposit shall be through a separate notice in the case of HT services and by a distinct entry in the consumer meter card or separate notice in the case of LT services. Thirty days notice period shall be allowed for the payment. However on request by consumers, the Licensee is permitted to collect such Additional Security Deposit in three instalments commensurate with the billing cycle.]

(v) Where, on review, the amount of Security deposit held is found to be in excess of the requirement, the excess shall be adjusted against two future demands for the electricity supplied. Where, after such adjustment in future two demands, there is balance to be refunded, the refund shall be made by cheque before the due date for payment of the third demand.

(vi) In the event of the consumer failing to pay to the Licensee any sum that may become due for payment to the Licensee on the dates fixed for payment thereof, the Licensee may, in addition to and without prejudice to the other rights of the Licensee, appropriate a part or whole of the Security Deposit and interest thereon towards the sum due from the consumer.

¹Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

²Substituted as per Commission's Notification **No. TNERC/SC/7-20, dated 30-06-2010 (w.e.f. 30-06-2010)** which before substitution stood as under :

"(iv) If available deposit is less than the revised Security deposit, the balance shall be collected as Additional Security deposit either through a separate notice or by a distinct entry in the consumer meter card for LT services. Thirty days notice period shall be allowed for the payment. If the payment is not received within the above period of thirty days, the service is liable for disconnection."

(6) ¹[Service / line, structure and equipments shifting charge]

(1) The cost of shifting service / line, ²[Structure and equipments] shall be borne by the consumer. The consumer shall pay the estimated cost of shifting in advance in full. The shifting work will be taken up only after the payment is made.

The estimate will cover the following:—

- i. Charges for dismantling at the old site.
- ii. Charges for transport from the old site to the new site.
- iii. Charges for ³[erection] at the new site.
- iv. Depreciation on retrievable old materials, if any, not re-used at the site.
- v. Cost of new materials, if required ⁴[including transport].
- vi. Cost of irretrievable materials.
- vii. Overhead charges.

(2) Temporary dismantling and re-erection or shifting of a service connection within the same premises necessitated due to remodeling of premises will be carried out on payment of the required charges for the same.

(3) Shifting of an existing service connection involving change in door number or sub-door number or survey field number, shall be considered as a new service connection only.

No shifting of an existing service connection is permissible unless all arrears in the service connection are paid, if so demanded by the Licensee.

(7) Name Transfer charge

⁵[(i)] Every application for transfer of name consequent to the death of the consumer shall be in Form (1) ⁶[in Appendix to this code] accompanied by :

- (a) Legal heirship certificate from the Tahsildar concerned or proof of ownership such as local body tax receipts (latest).
- (b) No objection certificate from other legal heirs, if any, (or) an indemnity bond in Form (3) in Appendix to this Code on non-judicial stamp paper for a value of Rs.80/- and a sworn-in affidavit and authenticated by a Notary Public or by a gazetted officer to show the status of other legal heirs.
- (c) Fresh application with fee to be specified by the Commission and agreement form.

⁷[(ii)] Every application for transfer of name, in other cases, shall be in Forms (1) and (2) in Appendix to this Code accompanied by-

- (a) The document supporting the transfer with an undertaking in Form (4) in Appendix to this Code
- (b) Consent letter from the consumer for the transfer of the Security Deposit ⁸[if it is not included in the document supporting the transfer]. Where no such consent letter can be produced, the applicant shall pay fresh Security Deposit.
- (c) Fresh application with fee to be specified by the Commission and agreement form.

Explanation : The name transfer is effected only for such services which are not under disconnection.

¹Substituted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f- 13-6-2007)** which before substitution stood as under :

Service / Line shifting charge.

²Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f- 13-6-2007)**.

³Substituted for the expression "**re-erection**" as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f-13-6-2007)**

⁴Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f-13-6-2007)**.

^{5,6}Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f-13-6-2007)**.

^{7,8}Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w-e-f-13-6-2007)**.

(8) Reconnection Charge : The Licensee shall collect reconnection charge from LT/HT consumers at the rates specified by the Commission from time to time.

(9) Consumer Meter Card Replacement Charge: The Licensee shall collect charges at the rate specified by the Commission for replacement of consumer meter card if lost or damaged. Wherever the space in the card is used up, the replacement shall be free of cost.

(10) Dishonoured cheque service charge: The Licensee shall collect service charges as specified by the Commission from time to time from the consumer, when a Cheque given by consumer is returned by the Bank for any reason whatsoever.

(11) Meter Related Charges: Meter rental charges shall be payable by the consumer, unless the consumer elects to purchase a meter, in accordance with the rates as the Commission may fix from time to time for different categories of consumers. The Licensee shall, besides meter rent where payable, collect charges towards changing of meters and boards, testing of meters, testing of installations, inspection charges etc., at the rates specified by the Commission from time to time.

(12) Application Registration Charge

The Licensee shall collect registration charges from LT/HT consumers for the following ,at the rates specified by the Commission from time to time.

(a) Application Registration charge at the appropriate rates for conversion of a service from L.T. to H.T. and vice versa and also wherever the consumers apply for additional loads both for H.T. and L.T. Services.

(b) Applications for reduction of demand/load in respect of H.T. and L.T. Services.

(c) Application for shifting of HT/LT Services

(d) Application for street light service

(e) Replacement due to accident for poles broken etc., due to dashing of vehicle or any accident under Deposit Contribution Works (DCW).

(f) Shifting of line and deviation of line under Deposit Contribution Works.

(g) Application for temporary supply.

¹(13) Excess demand charge and excess energy charge during Restriction and Control of supply :

(i) The maximum demand charges for HT supply shall be based on the actual recorded demand at the point of supply or at 90% of the demand quota as fixed from time to time through restriction and control measures whichever is higher. In case the maximum recorded demand is in excess of the quota fixed, the demand in excess of the quota fixed shall be charged at rates specified by the Commission from time to time.

(ii) The energy consumption over and above the energy quota fixed shall be charged at the rates specified by the Commission from time to time in respect of such class of consumers upon whom the restriction and control measures apply.

(iii) The services which draw electricity from TNEB Grid for using welding sets during the restricted hours shall be charged at the rates specified by the Commission from time to time.]

6. Minimum Charges

The consumer shall pay to the Licensee ²[minimum charges] in respect of every connection as detailed below. The minimum monthly charges are payable even when no electricity was consumed or supply disconnected by orders of Court or when the price of electricity supplied is less than the minimum charges.

(a) For the H.T. services disconnected as per Licensee's right to disconnect supply, the following monthly minimum charges based on the KVA demand shall be collected.

(i) If the disconnection is for the full month then 20% of the sanctioned demand.

(ii) If the disconnection is for part of a month, the actual recorded demand or such percentage of sanctioned demand as declared by the Commission whichever is higher.

¹Inserted as per Commission's Notification No. **TNERC/SC/7-11, dated 15-12-2008 (w.e.f. 28-11-2008) (Gazette publication dated 28-01-2009)**

²Substituted for the expression "a minimum charge" as per Commission's Notification No. **TNERC /SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

(b) For the H.T services disconnected on the request of the consumer, the monthly minimum charges based on the KVA demand shall be the actual recorded demand (when the disconnection is for part of a month) or such percentage of sanctioned demand declared by the Commission whichever is higher :

Provided that where the Licensee is prevented from supplying electricity owing to cyclone, floods, storms, fire, strike or lockout in the Licensees' establishment or other occurrences beyond the control of the Licensee, or if the Licensee is satisfied that the consumer has been prevented from consuming electricity either in whole or in part for similar reasons, the Licensee may recover from the consumer ¹[minimum charges] at twenty per cent of the billable demand or recorded demand whichever is higher besides charges for the actual consumption of electricity :

Provided further that where the consumer has been prevented from consuming electricity.—

(i) the consumer shall produce a certificate from the Labour Officer to that effect, indicating the period of lockout or strike or temporary closure and the date on which it was called off.

(ii) the consumer shall give prompt intimation of the commencement of the lockout or strike so that the Maximum Demand meter can be reset. In the case of temporary closure, the consumer shall give intimation of the closure. The consumer shall give intimation to the Licensee immediately after lifting of the strike, lockout or temporary closure.

Provided also that, in the case of steel industries having more than one electric furnace in a HT service and when one or more electric furnaces are under total strike / closure, then the benefit of billing on the actual recorded demand or the percentage as may be notified by the Commission from time to time of the sanctioned demand less the KVA load of the furnaces under total strike or closure whichever is higher shall be given. This provision is not applicable when there is lockout.

(c) for the LT services disconnected as per the Licensee's right to disconnect the supply or at the request of the consumer to disconnect supply, the monthly minimum charges shall be recovered by the Licensee till the agreement is terminated.

7. Installation of Meter

(1) Sub-section (1) of section 55 of the Act provides for the use of meters and reads as "No Licensee shall supply electricity, after the expiry of two years from the appointed date, except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Authority:

Provided that the Licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:

Provided further that the State Commission may, by notification, extend the said period of two years for a class or classes of persons or for such area as may be specified in the notification"

(2) All new service connections shall be extended with meters only. For all new LT service connections other than domestic and agricultural category, when the contracted demand is in excess of 18.6 KW (25 HP), the Licensee shall install meters with demand recording facility. For existing services, when the contracted demand is in excess of 18.6 KW (25 HP), this facility will have to be extended by the Licensee to enable implementation of excess demand charges as per regulation 5(2) of this Code.

(3) Unless the consumer elects to purchase his own meter, the Licensee shall provide meter of high quality, high precision and accuracy and may require the consumer to give adequate security for the price of the meter and pay the hire charges therefor. Where the consumer elects to purchase his own meter, the Licensee shall ensure that such meter is of high quality, high precision and accuracy and shall arrange to recalibrate the same at consumer cost.

(4) The meter shall ordinarily be installed at the point of entry to the consumer's premises at a suitable and easily accessible place as the Engineer may decide. After installation, the security seals shall be affixed in the presence of the consumer or his representative on the meter box cover, current transformer chamber, terminal cover of the meter, test block, cut outs, air-break switch and gate and such other part of the installation as the Licensee may decide. The consumer shall be responsible to ensure that the meter and the seals are not stolen, damaged or tampered with. The consumer shall run his wiring from such point of supply.

(5) The quantity of electricity recorded by such meter shall be taken as the quantity actually supplied by the Licensee.

(6) The Licensee will provide the Security seals in the meter box cover and the current transformer chamber after testing the meter. The seals on the terminal cover of meter (Low Tension and High Tension), test-block, metering set, meter box, cutouts, air-break switch and gate and other seals as desired by the Licensee will be provided at site in the presence of the consumer or his representative who shall satisfy himself that all the seals including the security seals are intact and the ²[meter] is functional. It is the responsibility of the consumer to ensure that the seals are not damaged or tampered with.

¹Substituted for the expression "a minimum charge" as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2-007 (w.e.f. 13-6-2007)**

²Substituted for the expression "meter disc" as per Commission's Notification No. **TNERC /SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

(7) Where metering of the High Tension service connection is on the Low Tension side i.e. on the secondary side of the Transformer :

(i) The average losses in the transformer shall be calculated as follows and added to the energy consumption indicated by the meter :—

$$\text{Average loss} = \frac{720 \times 1.0 \times C}{100} \text{ Units per month}$$

where C = KVA rating of the transformer

(ii) The transformer loss arrived at by the above formula shall be added to the energy consumption, even when the recorded energy consumption is nil.

(iii) 1% of the transformer capacity for transformer above 63 KVA. will be added to the recorded maximum demand on the Low Tension side to arrive at the equivalent High Tension demand

(8) At periodical intervals, the meters shall be recalibrated and standardized by means of standard instruments by the Licensee. In respect of High Tension service connections, however, such recalibration will be done in the presence of the Consumer's Electrical Engineer or his representative if the consumer so desires. If the meter is found defective/ incorrect, the adjustments in bills shall be made for error beyond permissible limits as laid down in the relevant rules made under the Act.

(9) If the consumer considers that the meter is defective, he may apply to the Licensee to have a special test carried out on the meters at any time and the cost of such a test shall be borne by the Licensee or the consumer according as the meter is found defective or correct as a result of such a test. ¹[The aforementioned special test for the disputed energy meters including the suspected/defective meters shall be carried out in the Third Party testing laboratory accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and till such time the Third Party Meter Testing Arrangement is established, the licensee shall have the special test conducted by the Chief Electrical Inspector to Government of Tamil Nadu]. The meter shall be deemed to be correct if the limits of error do not exceed those laid down in the relevant rules made under the Act. The consumer may also be allowed to install a check meter after recalibration by the Licensee. Such check meter shall be of high quality, high precision and high accuracy and sealed by the Licensee. Whenever the Licensee's meter becomes defective the check meter reading may be taken for billing.

(10) The procedure to be followed for replacement of defective/ damaged/ burnt meter shall be as follows:

- (i) It is the responsibility of the Licensee to replace all defective meters ²[belonging to the licensee] at his cost
- (ii) Since the safe custody of the meter is the consumer's responsibility, replacement of meter due to damages shall be at the cost of consumer.
- (iii) The cost of replacement for burnt meters shall be met by the Licensee unless it is proved otherwise that the burning out is due to the fault of the consumer.
- (iv) When the meter is owned by the consumer and becomes defective / damaged or when the meter is burnt due to the fault of the consumer, it is the responsibility of the consumer to replace the meter by a healthy one, if he elects to continue to have his own meter. Otherwise the Licensee shall replace the meter and enter into an agreement for hire and collect the specified deposits.

8. Meter Reading, Billing and intervals

(1) Reading of meter or meters shall be taken by the employees of the Licensee at such intervals or times the Licensee may consider expedient and they shall have access to the consumer's premises at all reasonable hours for the purpose of such reading as per the provisions contained in section 163 of the Act. The format of the meter cards containing all basic information to be made available to the consumer shall be got approved by the Commission. It is the responsibility of the Licensee to ensure that the details in the respective meter cards are entered without omission.

(2) In the case of High Tension Service Connections, the Licensee shall, within four days after the expiry of each billing month, cause to be delivered to every consumer a bill of charges stating the amount payable by the consumer in connection with supply of electricity by the Licensee.

(3) In the case of Low Tension service connections, the Licensee in consultation with, and approval of the Commission shall decide the periodicity of meter readings, collection dates, modes etc.. However, in the case of temporary supply, the meter reading shall be taken at the end of the period in case sanction is for less than a month and once in a month in case sanction is for a period more than a month.

^{1,2}Inserted as per Commission's Notification No. TNERC/SC/7-4, dated 25-5-2007 (w.e.f.13-6-2007)

(4) In case of LT services the meter readings of last digit up to and inclusive of five units shall be rounded off to the lower multiple of ten units and the meter readings of last digit from six to nine units shall be rounded off to the higher multiple of ten units.

(5) In case of LT services, after taking the meter readings, the particulars of meter readings, energy consumption and charges payable will be incorporated in the consumer meter card.

(6) Payment for energy supplied shall be made by the consumer according to the meter readings referred to above and on delivery of a bill therefor in the case of High Tension consumers and incorporation of current consumption charges in the consumer meter card or assessment slip in the case of Low Tension consumers.

(7) The total of current consumption charges and other miscellaneous charges etc. in a bill/ assessment shall be rounded off to the nearest rupee.

(8) In respect of High Tension service connections, the employee of the Licensee, in the presence of the consumer or his representative, will take the meter readings. The signature of the consumer or his representative will be taken in the meter card in token of being present at the time of taking the reading. If the consumer or his representative refuses to be present or refuses to sign in the meter card, the fact will be recorded. The meter readings and consumption will nevertheless be entered in the meter card.

(9) In respect of captive generation, including windmill, the Licensee shall ensure provision of a meter card to enter the generation and consumption details. The employee of the Licensee, in the presence of the ¹[representative of the generator/consumer], will take the meter readings. The signature of the ¹[representative of the generator/consumer] will be taken in the meter card in token of being present at the time of taking the reading. If the ¹[representative of the generator/consumer] refuses to be present or refuses to sign in the meter card, the fact will be recorded. The meter readings and consumption will nevertheless be entered in the meter card

9. Meter readings when there is changes in sanctioned demand etc.,

(1) Whenever there is change in the sanctioned demand, the change shall be effected, as far as possible, to coincide with the next meter reading. If , however, it is not possible so to do, the meter shall be reset and the maximum demand charges shall be billed proportionately for the respective periods.

(2) Whenever a tariff change is to be effected in a service connection, such change shall be effected only after obtaining a Revised Test Report (RTR) and the reading taken shall be conclusive proof of the ²[electricity consumed till the change of tariff].

10. Inaccessibility of meter for reading.

(1) When a Low Tension consumer leaves his installation connected to the Licensee's mains but makes it inaccessible for reading by the employees of the Licensee, the consumer shall, for the first occasion of such inaccessibility, be charged provisionally on the basis of the amount charged on the previous assessment. The employee of the Licensee will leave an assessment slip in the premises, wherever possible.

(2) If, on the next occasion, the meter is accessible for reading, the consumer will be charged for the actual consumption less the amount already charged, subject to the minimum monthly charges for both the periods. If, on the other hand, the meter remains inaccessible on the second occasion also, the consumer will be served with a ³[48 hours notice] to open his premises at a fixed time and date to enable an employee of the Licensee to read the meter. If the meter is now made accessible for reading, the consumer will be charged the actual consumption less the provisional amount charged and paid for the first period of inaccessibility subject to the minimum monthly charges for both the periods. If the meter remains inaccessible even after the ³[48 hours notice], the supply to the premises will be disconnected and for that period also provisional amount as in the case of previous occasion will be charged.

(3) If the meter is made accessible, subsequent to the disconnection, for purpose of reading the meter and settling accounts or for reconnection of the service as the case may be, the consumer will be charged the actual consumption subject to the minimum monthly charges payable for both periods less the two provisional amounts levied and paid for the two periods of inaccessibility. Reconnection charges, if any, shall also be levied. Any excess amount collected will be adjusted in future current consumption charges.

¹Substituted for the expression "consumer or his representative" as per Commission's Notification No. TNERC/SC/7-4 dated 25-5-2007 (w.e.f.13-6-2007)

²Substituted for the expression "electricity supplied" as per Commission's Notification No. TNERC/SC/7-4 dated 25-5-2007 (w.e.f.13-6-2007)

³Substituted for the expression "24 hours notice" as per Commission's Notification No. TNERC/SC/7-4 dated 25-5-2007 (w.e.f.13-6-2007)

(4) When a High Tension consumer leaves his installation connected to the Licensee's mains but makes the meter inaccessible for reading by the employees of the Licensee, the employees of the Licensee will serve the consumer with a '[48 hours notice] to open his premises for reading of the meter at a fixed time. If the meter is now made available for reading, the readings will be taken. If the meter remains inaccessible even after the '[48 hours notice]', the supply to the premises will be disconnected and the consumer will be charged provisionally on the basis of the amount charged for the previous month. If the meter is made accessible subsequent to the disconnection, the consumer will be charged the actual consumption less the provisional amount charged subject to minimum monthly charges. All reconnections shall attract reconnection charges over and above the other charges as are applicable.

(5) Serving of notices to the consumers with regard to the provisions under the sections above, can be executed by pasting the same at a conspicuous place at the premises.

11. Assessment of billing in cases where there is no meter or meter is defective :

(1) Where supply to the consumer is given without a meter or where the meter fixed is found defective or to have ceased to function and no theft of energy or violation is suspected, the quantity of electricity supplied during the period when the meter was not installed or the meter installed was defective, shall be assessed as mentioned hereunder.

(2) The quantity of electricity, supplied during the period in question shall be determined by taking the average of the electricity supplied during the preceding four months in respect of both High Tension service connections and Low Tension service connections provided that the conditions in regard to use of electricity during the said four months were not different from those which prevailed during the period in question.

(3) In respect of High Tension service connections, where the meter fixed for measuring the maximum Demand becomes defective, the Maximum Demand shall be assessed by computation on the basis of the average of the recorded demand during the previous four months.

(4) Where the meter becomes defective immediately after the service connection is effected, the quantum of electricity supplied during the period in question is to be determined by taking the average of the electricity supplied during the succeeding four months periods after installation of a correct meter, provided the conditions in regard to the use of electricity in respect of such Low Tension service connections are not different. The consumer shall be charged monthly minimum provisionally for defective period and after assessment the actual charges will be recovered after adjusting the amount collected provisionally.

(5) If the conditions in regard to use of electricity during the periods as mentioned above were different, assessment shall be made on the basis of any consecutive four months period during the preceding twelve months when the conditions of working were similar to those in the period covered by the billing.

(6) Where it is not possible to select a set of four months, the quantity of electricity supplied will be assessed in the case of Low Tension service connections by the Engineer in charge of the distribution and in the case of High Tension service connections by the next higher level officer on the basis of the connected load and the hours of usage of electricity by the consumer.

(7) In case the consumer does not agree with the assessment made by the Engineer or the higher-level officer as the case may be, the matter may be referred to the next higher-level officer of the Licensee. In case the consumer is still not satisfied, the consumer is at liberty to approach the respective Consumer Grievance Redressal Forum of the Licensee.

12. Errors in billing

(1) In the event of any clerical errors or mistakes in the amount levied, demanded or charged by the Licensee, the Licensee will have the right to demand an additional amount in case of undercharging and the consumer will have the right to get refund of the excess amount in the case of overcharging.

(2) ²[Where it is found that the consumer has been over-charged, the excess amount paid by such consumer shall be refunded along with interest at the rate applicable for security deposit. The interest shall be computed from the date on which the excess amount was paid. Such excess amount with interest may be paid by cheque in the month subsequent to the detection of excess recovery or may be adjusted in the future current consumption bills upto two assessments at the option of the consumer. The sum which remains to be recovered after two assessments may be paid by cheque. Interest shall be upto the date of last payment.]

(3) Wherever the Licensees receive complaints from consumers that there is error in billing, etc. the Licensee shall resolve such disputes regarding quantum of commercial transaction involved within the due date for payment, provided the complaint is lodged three days prior to the due date for payment. Such of those complaints received during the last three days period shall be resolved before the next billing along with refunds / adjustments if any. However, the consumer shall not, on the plea of incorrectness of the charges, withhold any portion of the charges.

¹Substituted for the expression "24 hours notice" as per Commission's Notification No. TNERC/SC/7-4 dated 25-5-2007 (w.e.f.13-6-2007)

² Substituted as per Commission's Notification No. TNERC/SC/7-8 dated 06-06-2008 (wef 16-07-2008) which before substitution stood as under

"Where it is found that the consumer has been over-charged, the excess amount paid in such cases will be adjusted against future current consumption charges. If, even after such adjustment against future current consumption charges for two assessment periods, there is still a balance to be refunded, the refund will be made by cheque".

13. Servicing of bills

(1) For the HT services, bills shall normally be sent by post or by hand delivery but the Licensee takes no responsibility for loss in transit. The consumer should notify the concerned office of the Licensee, if no bill or assessment is received. Non-receipt of the bills/ assessments will not entitle the consumer to delay payment of the charges beyond the due date. For LT services, entry in consumer meter card shall be the bill of demand and there will be no separate issue of bill.

(2) For any arrears other than the regular current consumption bill, it is the Licensee's obligation to inform the consumer by a separate communication with details.

14. DUE DATES AND NOTICE PERIODS

(1) The Licensee shall provide the following minimum days with regard to due dates, notice period for payment of tariff related electricity charges:

(a) For LT Services, the due date shall be not less than 5 days from the date of entry in the consumer meter card. 15 days clear notice period shall be allowed prior to disconnection for non-payment. Belated payment surcharge shall not be levied for LT services during the notice period.

(b) For HT Services, the due date shall be not less than 7 days from the date of billing. If the last day of the due date happens to be a holiday, the due date shall be extended to till the next working day. 15 days clear notice period shall be allowed prior to disconnection for non-payment. ¹[In case the last day of the notice period happens to be a holiday, the period of notice will get extended and the last day for payment to avoid disconnection will be the next working day.] Belated payment surcharge shall be levied for HT services during the notice period as specified in this Code.

(2) In the case of Low Tension consumers who do not pay their current consumption charges as per the periods specified by the Licensee in the consumer meter card, the printed notice period in the consumer meter card shall be construed as the notice to the consumer. Payments may also be accepted during the notice period. If the last day included in the notice period happens to be a holiday, the period of notice will get extended and the last day for payment to avoid disconnection will be the next working day.

(3) Supply to such Low Tension consumers as specified above is liable to be disconnected after the expiry of the notice period.

(4) Bills rendered to High Tension consumers and the charges incorporated in the consumer meter cards of Low Tension consumers shall be paid as stipulated and are subject to BPSC, for delayed payment as stipulated in this Code.

(5) If the amount of any bill remains unpaid beyond the period specified, the Licensee may also, without prejudice to any of its rights under the agreement entered into by the consumer with the Licensee, order supply of electricity to the consumer to be discontinued forthwith without further notice and keep the service connection disconnected until full payment for all obligations pending and the charge for the work of disconnection and reconnection has been paid. Such discontinuance of supply of electricity shall not relieve the consumer of his liability to pay the minimum monthly charges nor shall such discontinuance affect any right, claim, demand or power which may have accrued to the Licensee hereunder.

15. MODE OF PAYMENT

(1) The Licensee shall issue receipts for every recovery or payment from the consumers.

(2) All High Tension bills, including those on account of miscellaneous charges, are to be paid within the due date fixed by the Licensee from the date of the bill. The High Tension Consumer shall pay the bills in cash or by demand draft on local bank or Cheque drawn on a bank at the headquarters of the ²[designated authority of the distribution licensee] ³[or through electronic payment as stipulated by the distribution licensee]. Payment for amounts exceeding Rs. 2000- is preferred by DD/ Cheque. Depending on the circumstances, the ⁴[designated authority of the distribution licensee] shall however accept cash payments also and advise the consumer for future remittances by DD/Cheque. In case the Cheque is dishonored for any reason whatsoever, the High Tension consumer will be required to pay the High Tension.

¹ Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 13-6-2007)**

^{2,4} Substituted for the expression "**Engineer**" as per Commission's Notification No. **TNERC/SC/7-4 dated, 25-5-2007 (w.e.f.13-6-2007)**

³ Inserted as per Commission's Notification No.**TNERC/SC/7-13. dated 15-06-2009 (w.e.f. 08-07-2009).**

¹(3) Low Tension Consumers shall pay the amount due in cash or by money order or by demand draft on local bank, or by Cheque drawn on a bank where the Distribution Section Office is located or through electronic payment as stipulated by the distribution licensee. However, local bodies and Railways may issue Cheque on the banks situated in the place of their office and the Licensee may claim the collection charges, if any, from such consumers. Payment for amounts exceeding Rs.2000 is preferred by DD / Cheque. Depending on the circumstances, the ²[designated authority of the distribution licensee] shall however accept cash payments also and advise the consumer for future remittances by DD / Cheque. In case the Cheque is dishonored for any reason whatsoever, the Low Tension Consumer will be required to pay thereafter the amount due by cash / money order / demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T. consumers and three months period in respect of H.T consumers. However, the Licensee may accord approval for restoration of cheque facility in respect of Services in the name of Local bodies and Government Departments (both Central and State) without watching their performance for three consecutive billing periods. For consumers other than local bodies and government departments The Licensee shall have the powers for restoration of cheque payment facility upto fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. Such consumers shall pay service charges for dishonor of cheque as stipulated by the Commission in addition to the following:

(a) Low Tension Consumers : Additional service charges @ 1% of the dishonored cheque amount subject to a minimum of Rs.500/-.

(b) High Tension Consumers: Additional service charges @ 1% of the dishonored cheque amount subject to a minimum of Rs.1000/-.

(c) This concession of restoration of cheque payment facility shall not be given thereafter for a service connection]

¹Substituted as per Commission's Notification No. **TNERC/SC/7-16, dated 29-12-2009** which before substitution stood as under :

[(3) Low Tension Consumers shall pay the amount due in cash or by money order or by demand draft on local bank, or by Cheque drawn on a bank where the Distribution Section Office is located or through electronic payment as stipulated by the distribution licensee. However, local bodies and Railways may issue Cheque on the banks situated in the place of their office and the Licensee may claim the collection charges, if any, from such consumers. Payment for amounts exceeding Rs.2000 is preferred by DD / Cheque. Depending on the circumstances, the designated authority of the distribution licensee shall however accept cash payments also and advise the consumer for future remittances by DD / Cheque. In case the Cheque is dishonored for any reason whatsoever, the Low Tension Consumer will be required to pay thereafter the amount due by cash / money order / demand draft only. The Licensee shall have the powers to accord approval for restoring the Cheque facility for payment by the consumers after watching the performance of the consumers in regard to settlement of current consumption charges at least for the last three consecutive billing periods in respect of L.T. consumers and three months period in respect of H.T consumers. However, the Licensee may accord approval for restoration of cheque facility in respect of Services in the name of Local bodies and Government Departments (both Central and State) without watching their performance for three consecutive billing periods. For consumers other than local bodies and government departments. The Licensee shall have the powers for restoration of cheque payment facility upto fourth occasion after watching the performance of the consumers in regard to subsequent settlement of charges. Such consumers shall pay service charges for dishonor of cheque as stipulated by the Commission in addition to the following:

(a) Low Tension Consumers : Additional service charges @ 1% of the dishonored cheque amount subject to a minimum of Rs.500/-.

(b) High Tension Consumers: Additional service charges @ 1% of the dishonored cheque amount subject to a minimum of Rs.1000/-.

(c) This concession of restoration of cheque payment facility shall not be given thereafter for a service connection].

²Substituted for the expression "Engineer" as per Commission's Notification No. **TNERC/SC/7-4 dated, 25-5-2007 (w.e.f.13-6-2007)**

Bills in cash or by demand draft thereafter. If the payment is not received within fifteen days (notice period) from the expiry of the due date allowed for payment, the supply will be disconnected. However the consumer may be allowed extension of time to make payment beyond the expiry of the notice period allowed for payment, on an application made to the designated authority of the Distribution Licensee, subject to the levy of BPSC as specified in this Code.

16. OPTION TO PAY CHARGES IN ADVANCE

The consumers who opt for depositing electricity charges in advance shall be permitted to do so. Such deposits shall be recorded in the consumer meter card.

17. AGREEMENT WITH RESPECT TO SUPPLY : ISSUES ON RECOVERY OF CHARGES

(1) Every consumer shall pay to the Licensee, from the date of commencement of supply till the agreement is terminated, security deposit, minimum monthly charges, fixed charges, if any, and other charges as provided in the Tariff Orders, this Code and any other orders in this regard by the Commission, from time to time. However, any consumer, who has not availed of reconnection even after the expiry of termination of agreement period, the monthly minimum charges ¹[shall be payable upto the date of termination of such agreement].

(2) Notwithstanding the termination of the agreement, the consumer shall be liable to pay the arrears of current consumption charges or any other sum due to the Licensee on the date of disconnection and meter rent, if any, up to the date of termination of the agreement and Belated Payment Surcharge (BPSC) up to the date of payment.

(3) The Licensee may require the consumer, who, at any time during the currency of the agreement, intends to sell or otherwise dispose of or lease out in whole or in part of the premises or business to which supply is given or has been contracted for, to give three months' notice of his intention to the ²[designated authority of the distribution licensee] and clear all dues up to the date of sale/ disposal/ lease. In the case of such notice, the agreement in so far as the consumer is concerned, will cease to operate with effect from the date specified in such notice, but without prejudice to any claim or right which may have accrued to the parties there under.

(4) If the consumer fails to give advance intimation as aforementioned of his intention to sell or lease out or otherwise dispose of the properties or business to which supply is given or contracted for, the Licensee shall have the right to recover the charges for consumption and other charges due to the Licensee under the agreement even beyond the date of sale or lease out or otherwise disposal of the properties or business.

(5) If a service connection remains disconnected for a period of three months for non-payment dues to the Licensee, the Licensee shall issue a notice requiring the consumer to get supply restored within three months from the date of receipt of such a notice and intimating him that failure to avail supply within that period will result in termination of the agreement. After the expiry of notice period of three months, the agreement shall stand terminated.

(6) ³, ⁴[xxx]

¹Substituted for the expression "may be limited to the date of disconnection" as per Commission's Notification No. TNERC/SC/7-4, dated 25-5-2007 (w.e.f.13-6-2007)

²Substituted for the expression "Engineer of the Licensee" as per Commission's Notification No. TNERC/SC/7-4 dated, 25-5-2007 (w.e.f.13-6-2007)

³Inserted as per Commission's Notification No. TNERC/SC/7-3 dated, 10-4-2007 (w.e.f. 25-4-2007)

⁴Omitted as per Commission's Notification No. TNERC/SC/7-12 dated, 27-02-2009 (w.e.f. 01-4-2009) which before omission stood as under :

(i) **The initial agreement period shall be one year from the date of availing supply and shall not apply for any reduction in the contract demand.**

(ii) **The consumer may apply for and reduce his demand after expiry of initial agreement period of one year, once in an year without paying any charges for such reduction. For second and subsequent reduction in an year, the consumer shall be liable to pay one time charges of twice the demand charges for the demand surrendered.**

(iii) **The consumer shall apply for and reduce the demand only upto 50% of the then existing contracted demand at the time of applying for reduction in demand].**

¹[(7).The licensee shall on receipt of the notice referred to in sub-regulation (3) make such adjustment of the dues due to him from the consumer as may be necessary to clear the dues from the consumer against the security deposit or additional security deposit or any other deposit made by the consumer, and after making such adjustment, refund the balance deposit, if any, to the consumer within three months from the date of expiry of the notice period referred to in sub – regulation (3).]

²[(8) Where any consumer has more than one service connection, if he defaults in the payment of dues relating to any one of the service connections, the licensee may cause other service connections in the name of the consumer to be disconnected on issuing proper notice till all the arrears due for all the service connections are paid, notwithstanding the fact that the service connections are covered under separate agreements.]

18. CONSUMER GRIEVANCE REDRESSAL

All grievances of the consumers, relating to the provisions under regulations (3) to (17) of this Code shall be referred by the consumer to the respective Consumer Grievance Redressal Forum ³[constituted under the Act].

19. UNAUTHORIZED USE OF ELECTRICITY – INVESTIGATION AND ENFORCEMENT PROVISIONS

Section 126 of the Act deals with the provisions for investigation and enforcement in cases of unauthorized use of electricity and reads as follows :

“Assessment

(1) If on an inspection of any place or premises or after inspection of the equipments, gadgets, machines, devices found connected or used, or after inspection of records maintained by any person, the assessing officer comes to the conclusion that such person is indulging in unauthorized use of electricity, he shall provisionally assess to the best of his judgement the electricity charges payable by such person or by any other person benefited by such use.

(2) The order of provisional assessment shall be served upon the person in occupation or possession or in charge of the place of premises in such manner as may be prescribed.

(3) ⁴[The person, on whom an order has been served under sub-section (2), shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who shall, after affording a reasonable opportunity of hearing to such person, **pass a final order of assessment within thirty days** from the date of service of such order of provisional assessment of the electricity charges payable by such person].

(4) Any person served with the order of provisional assessment may, accept such assessment and deposit the assessed amount with the Licensee within seven days of service of such provisional assessment order upon him:

⁵[xxx]

¹Inserted as per Commission's Notification No. TNERC/SC/7-6, dated, 3-12-2007 (w.e.f. 19-12-2007)

²Inserted as per Commission's Notification No. TNERC/SC/7-10, dated, 31-7-2008 (w.e.f. 20-8-2008)

³Inserted as per Commission's Notification No. TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 13-6-2007)

⁴**Substituted for the expression “The person, on whom a notice has been served under sub-section (2), shall be entitled to file objections, if any, against the provisional assessment before the assessing officer, who may, after affording a reasonable opportunity of hearing to such person, pass a final order of assessment of the electricity charges payable by such person” as per Commission's Notification No. TNERC/SC/7-15 dated 09-10-2009 (w.e.f.15-6-2007)**

⁵Omitted as per Commission's Notification No. TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007), which before omission stood as under :

[Provided that in case the person deposits the assessed amount, he shall not be subjected to any further liability or any action by any authority whatsoever].

(5) ¹[If the assessing officer reaches to the conclusion that unauthorized use of electricity has taken place, the assessment shall be made for the entire period during which such unauthorized use of electricity has taken place and if, however, the period during which such unauthorized use of electricity has taken place cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection].

(6) The assessment under this section shall be made at a rate equal to ²[twice] the tariff applicable for the relevant category of services specified in sub-section (5).

Explanation: For the purposes of this section,—

(a) “assessing officer” means an officer of a State Government or Board or Licensee, as the case may be, designated as such by the State Government;

(b) “unauthorized use of electricity” means the usage of electricity —

(i) by any artificial means; or

(ii) by a means not authorized by the concerned person or authority or Licensee; or

(iii) through a tampered meter; or

(iv) ³[for the purpose other than for which the usage of electricity was authorized; or

(v) for the premises or areas other than those for which the supply of electricity was authorised]

⁴[19 A Procedure for disconnection of supply of electricity and removal of the unauthorized usage of electricity.

(1) An assessing officer mentioned under section 126 of the Act, may either *suo motu* or on receipt of reliable information regarding unauthorized use of electricity in any premises conduct inspection of such premises.

(2) The assessing officer shall prepare a report giving details such as connected load, condition of seals, working of meter and record any irregularity noticed/ unauthorized use of electricity found.

(3) The report referred to in sub-regulation (2) shall clearly indicate whether conclusive evidence substantiating the fact that unauthorized use of electricity was found or not. The details of such evidence should be recorded in the report.

(4) In case of suspected unauthorised use of electricity, provisional assessment order shall be issued in the manner prescribed under the rules made by the State Government under section 126 (2) of the Act and final assessment order shall be issued by the assessment officer by following the procedure stipulated in section 126 of the Act. In respect of a tariff where different rates are adopted based on the slabs of consumption, the highest tariff rate specified in the tariff structure for the relevant category of service may be adopted.

¹Substituted for the expression “***If the assessing officer reaches to the conclusion that unauthorized use of electricity has taken place, it shall be presumed that such unauthorized use of electricity was continuing for a period of three months immediately preceding the date of inspection in case of domestic and agricultural services and for a period of six months immediately preceding the date of inspection for all other categories of services, unless the onus is rebutted by the person, occupier or possessor of such premises or place***” as per Commission’s Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007).**

²Substituted for the expression “***one-and-half times***” as per Commission’s Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007).**

³Substituted for the expression “***for the purpose other than for which the usage of electricity was authorised***” as per Commission’s Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f.15-6-2007).**

⁴Inserted as per Commission’s Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 1-09-2004)**

(5) If the person does not deposit the assessed amount with the licensee concerned as stipulated under sub-section (4) of section 126 of the Act, the licensee concerned may proceed to recover such assessed amount and take such further action as is permitted under the Act.

(6) The enforcement provisions of the Act and the procedures given in this code shall be followed to recover the assessed amount from the person. In case of default in payment of the assessed amount, including default in payment of any of the installment permitted by the licensee concerned and agreed by the person, the licensee concerned may, after giving a fifteen days' notice in writing disconnect the supply of electricity.

(7) The person shall remove the cause of unauthorized use immediately after its detection and give a written intimation to the licensee concerned. The licensee concerned shall check the claim of the person about the removal of the cause of unauthorized use of electricity, verified to his satisfaction. Failure of the person to remove the cause of unauthorized use shall result in levy of charges on account of unauthorized use of electricity till the cause of such unauthorised use of electricity is removed and verified and recorded by the licensee concerned or the onus of allegation of unauthorized use of electricity is rebutted by the person and accepted by the licensee concerned].

20. APPEAL UNDER SECTION 127 (1) OF THE ACT

(1) Every appeal petition made to the Appellate Authority prescribed under section 127 (1) of the Act shall be in Form 6 and shall be accompanied by a Demand Draft for an amount of Rs.100/- (Rupees one hundred only)

(2) Verification of the Appeal Petition:

(a) Every appeal petition referred to above shall be verified by an Affidavit and every such Affidavit shall be in Form-7.

(b) Every affidavit shall be drawn up in the first person and shall state the full name, age, occupation and address of the deponent and the capacity in which he is signing and shall be signed and sworn before a person lawfully authorized to take and receive affidavits.

(c) Every affidavit shall clearly and separately indicate statements, which are true to the (i) belief of the deponent. (ii) knowledge of the deponents and (iii) Information received by the deponent.

(d) Where any statement in the affidavit is stated to be true to the information received by the deponent the affidavit shall also disclose the source of the information and a statement that the deponent believes that information to be true.

(3) After an appellate authority passes orders on an appeal and when the appellant defaults in making payment of the assessed amount, he, in addition to the assessed amount, shall be liable to pay, on expiry of thirty days from the date of order, an amount of interest at the rate of sixteen percent per annum, compounded every six months.

CHAPTER 3. DISCONNECTION AND RESTORATION OF ELECTRIC SUPPLY

21. DISCONNECTION OF SUPPLY

Section 56 of the Act with regard to disconnection of supply in default of payment reads as follows :

“(1). Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a Licensee or the generating company in respect of supply, transmission or distribution or wheeling of electricity to him, the Licensee or the generating company may, after giving not less than fifteen clear days notice in writing, to such person and without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and for that purpose cut or disconnect any electric supply line or other works being the property of such Licensee or the generating company through which electricity may have been supplied, transmitted, distributed or wheeled and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid, but no longer:

Provided that the supply of electricity shall not be cut off if such person deposits, under protest,—

(a) an amount equal to the sum claimed from him, or

(b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six months.

whichever is less, pending disposal of any dispute between him and the Licensee.

(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrears of charges for electricity supplied and the Licensee shall not cut off the supply of the electricity”.

The provision of the Act as in sub-section (1) above are in addition to and not in derogation of any other law for the time being in force. Accordingly the Licensee shall be entitled to disconnect the supply of electricity subject to the provisions of Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and control of pollution) Act, 1981 and Environment (Protection) Act, 1986, etc.

22. Restoration of supply of electricity

(1) The Licensee shall restore the supply to the service immediately and in any case not exceeding twelve hours ¹[in the case of urban areas and twenty four hours in the case of rural areas] on recovery of electricity charges or such other sums together with any expenses incurred by the Licensees in cutting off and re-connecting the supply.

(2) In the case of a service connection remaining disconnected for six months or more the consumer's installation will be tested, revised test report obtained and the testing charges collected from the consumer before the same is restored. ²[Such revised test report shall be signed by the consumer or legal owner or legal occupant of the premises].

(3) To restore supply to a High Tension service connection which remains disconnected for one year or more, approval of the competent authority with regard to safety and security of the installation shall be obtained.

(4) In the case of service connections, which have been disconnected, the Licensee shall have the power to allow installment payments of all arrears in deserving cases.

(5) The Licensee shall restore the disconnected service before issue of termination of Agreement Notice and also during the notice period for termination of agreement on recovery of total arrears due till the date of restoration.

³[(6) (i) When a service connection remains disconnected for non payment of electricity charges beyond the notice period of three months, if the consumer comes forward within the period mentioned below to pay the actual dues and agrees to remit the charges in clause (ii) below, the official authorized by the Licensee may grant extension of time beyond the notice period and revoke the termination of agreement provided that the lines feeding the service connection have not been dismantled, so as to facilitate reconnection of the disconnected service.

Category	Period for reconnection of disconnected service
HT consumers	Within five years from the date of Disconnection
LT Agricultural consumers	-do-
Other LT consumers	Within two years from the date of Disconnection

(ii) In accordance with sub-regulation (4), the authorized Officer of the Licensee may permit such consumer to pay the outstanding in instalments and to avail reconnection on receipt of 40% of the total arrears outstanding after closing of account due to the licensee, which include –

(a) Arrears on the date of disconnection

(b) Tariff minimum and meter rent for the period of six months from the date of disconnection (including the notice period)

¹Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 13-6-2007)**

²Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 13-6-2007)**

³*Substituted as per Commission's Notification No **TNERC/SC/7-2, dated, 19-05-2006 (w.e.f. 1-09-2004)** which before substitution stood as under:*

(3) When the service connection remains disconnected for non payment of electricity charges beyond the notice period of three months, if the consumer comes forward to pay the actual dues and agrees to remit the tariff minimum charges in respect of HT services, monthly minimum in respect of LT services for the period of disconnection after termination of agreement period with re-connection charges, the Licensee may grant extension of time beyond such notice period and revoke the termination of agreement provided that the lines feeding the service connection have not been dismantled so as to facilitate re-connection of the disconnected service.

(4) If the consumers of disconnected services come forward for reconnection after 5 years in case of H.T. services and two years in case of LT services from the date of disconnection, the Licensee shall treat them as new applicants and supply effected after recovering all charges applicable to a new service connection and all other arrears with BPSC.

(c) The applicable BPSC / interest upto the date of payment.

(d) The balance 60% of the amount shall be collected in ten monthly instalments.

(e) In addition to the above, the full amount of Security Deposit adjusted while closing of account shall be collected in one lumpsum before effecting new service connection.

¹[Explanation: For the purpose of removal of doubts, it is hereby declared that any tariff minimum collected by the Tamil Nadu Electricity Board prior to the date of publication of the Tamil Nadu Electricity Supply (Amendment) Code, 2006 in the *Tamil Nadu Government Gazette*, that is to say prior to 21st June 2006 on the basis of sub-regulation (6) as it stood before the said amendment need not be refunded by the Tamil Nadu Electricity Board].

(7) If the consumers of the disconnected service come forward for reconnection after the period mentioned in sub-regulation (6) (i), the licensee shall treat them as new applicants and supply effected after recovering all charges applicable to a new service connection and all other arrears with BPSC].

(8) The facility of payment in installments will be made available to the consumer on request. To avail of this facility, the consumer shall execute an undertaking in Form (5) in the Appendix to this Code.

Chapter 4 : Tampering, Distress or Damage to Electrical Plant, Meters etc.,

23. The Act deals elaborately under sections 135 to 141 regarding the tampering, distress etc., Hence in this Code, for the sake of completeness and to provide consolidated information to the consumers on electric supply, the ²[the relevant provisions of the Act as well as procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity and measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter are set out below].

(A) Tampering of meters and theft of electricity

³[(1) Section 135 of the Act, which deals with theft of electricity, reads as follows :

¹Inserted as per Commission's Notification No. **TNERC/SC/7-2(1), dated, 20-9-2006 (w.e.f. 1-09-2004)**

²Substituted as per Commission's Notification No **TNERC/SC/7-4, dated, 25-5-2007 (w.e.f. 1-09-2004)** which before substitution stood as under:

"relevant provisions of the Act are reproduced for ready reference".

³Substituted as per Commission's Notification No. **TNERC/SC/7-15, dated, 09-10-2009 (w.e.f. 15-06-2007)**, which before substitution stood as under :

(1) Section 135 of the Act, which deals with theft of electricity, reads as follows :

(1) Whoever, dishonestly,-

a. taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a Licensee; or

b. tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or

c. damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity, so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both;

Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use –

(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity.

(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:

Provided further that if it is proved that any artificial means or means not authorised by the Board or Licensee exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer.

⁴Substituted for the expression " Any Officer " as per Commission's Notification No. **TNERC / SC/7-15, Dated 09-10-2009 (w.e.f. 15.6.2007)]**

(1) Whoever, dishonestly, -

- a. taps, makes or causes to be made any connection with overhead, underground or under water lines or cables, or service wires, or service facilities of a Licensee supplier as the case may be; or
- b. tampers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wasted; or
- c. damages or destroys an electric meter, apparatus, equipment, or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity.
- d. uses electricity through a tampered meter or
- e. uses electricity for the purpose other than for which the usage of electricity was authorised,

so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extend to three years or with fine or with both;

Provided that in a case where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use—

(i) does not exceed 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction the fine imposed shall not be less than six times the financial gain on account of such theft of electricity.

(ii) exceeds 10 kilowatt, the fine imposed on first conviction shall not be less than three times the financial gain on account of such theft of electricity and in the event of second or subsequent conviction, the sentence shall be imprisonment for a term not less than six months, but which may extend to five years and with fine not less than six times the financial gain on account of such theft of electricity:

Provided further that in the event of second and subsequent conviction of a person where the load abstracted, consumed, or used or attempted abstraction or attempted consumption or attempted use exceeds 10 kilowatt, such person shall also be debarred from getting any supply of electricity for a period which shall not be less than three months but may extend to two years and shall also be debarred from getting supply of electricity for that period from any other source or generating station:

Provided further that if it is proved that any artificial means or means not authorized by the Board or Licensee or supplier, as the case may be exist for the abstraction, consumption or use of electricity by the consumer, it shall be presumed, until the contrary is proved, that any abstraction, consumption or use of electricity has been dishonestly caused by such consumer.

(1A) Without prejudice to the provisions of this Act, the licensee or supplier, as the case may be, may, upon detection of such theft of electricity, immediately disconnect the supply of electricity:

Provided that only such officer of the licensee or supplier, as authorised for the purpose by the Appropriate Commission or any other officer of the licensee or supplier, as the case may be, of the rank higher than the rank so authorised shall disconnect the supply line of electricity:

Provided further that such officer of the licensee or supplier, as the case may be, shall lodge a complaint in writing relating to the Commission of such offence in police station having jurisdiction within twenty four hours from the time of such disconnection:

“relevant provisions of the Act are reproduced for ready reference”.

Provided also that the licensee or supplier, as the case may be, on deposit or payment of the assessed amount or electricity charges in accordance with the provisions of this Act, shall, without prejudice to the obligation to lodge the complaint as referred to in the second proviso to this clause, restore the supply line of electricity within forty-eight hours of such deposit or payment]

(2) “[Any officer of the licensee or supplier as the case may be] authorized in this behalf by the State Government may—

- (a) enter, inspect, break open and search any place or premises in which he has reason to believe that electricity has been or is being used unauthorizably;
- (b) search, seize and remove all such devices, instruments, wires and any other facilitator or article which has been or is being used for unauthorized use of electricity;
- (c) examine or seize any books of account or documents which in his opinion shall be useful for or relevant to, any proceedings in respect of the offence under sub-section (1) and allow the person from whose custody such books of account or documents are seized to make copies thereof or take extracts therefrom in his presence.

(3) The occupant of the place of search or any person on his behalf shall remain present during the search and a list of all things seized in the course of such search shall be prepared and delivered to such occupant or person who shall sign the list;

Provided that no inspection, search and seizure of any domestic places or domestic premises shall be carried out between sunset and sunrise except in the presence of an adult male member occupying such premises.

(4) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974), relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.”

Explanation : For the purposes of the above section on tampering of meters and theft of electricity, if the premises in question are occupied by an authorized tenant through an agreement with the respective consumer, the responsibility shall rest with the authorized tenant only.

²[*******] (AA) The Procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity as detailed in section 135 of the Act is given below:

(1) The officer authorized under sub-section (2) of section 135 of the Act (hereinafter referred to as the authorized officer), may either suo-motu or on receipt of reliable information regarding theft of electricity in any premises, conduct inspection of such place or premises (The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.).

(2) (a) The authorized officer shall prepare a report at the place or premises giving details such as connected load, condition of seals, working of meter and record, modus operandi adopted for theft of energy. Any damage or destruction to the electric meter, metering equipments, apparatus, line, cable or electrical plant of the Licensee or supplier concerned, caused or allowed to be caused by the accused person so as to interfere with the proper or accurate metering of electricity or for theft of electricity shall also be duly recorded in the report indicating whether conclusive evidence substantiating the fact that theft of energy was found or not. The authorized officer may also take photo or prepare a diagram illustrating the arrangements found to have been made for theft of electricity, wherever feasible and such photo or diagram shall form a part of inspection report. Upon detection of such theft of electricity, the officer of the licensee or supplier, as the case may be, as authorized for the purpose by the Commission, may, immediately disconnect the supply line of electricity and a complaint shall be lodged in the police station as per the procedure stipulated in section 135 (1A) of the Act on the basis of the materials collected by the Assessment officer who has conducted the inspection. The supply to the premises shall be restored only after satisfying the stipulation of the third proviso of section 135 (1A) of the Act.

(b) To carry out all or any of the above acts specified in subsection (1A) of section 135 of the Act, the Commission authorises the same officers of the Licensee or the supplier as authorised by the Government of Tamil Nadu to do all or any of the acts specified in clauses (a) to (c) of sub-section (2) of section 135 of the Act.

(3) In case of suspected theft by tampering of meter or metering equipment, meter connection security seal or by replacing original seal by bogus seal, the meter shall be removed and sealed and a separate report shall be prepared on the condition of the meter and metering equipment removed and sealed. At the time of sealing, signatures of the accused person and also of the officers of licensee or supplier concerned, as the case may be, and any other witness shall be obtained on this report. This report shall also form a part of the inspection report. The supply shall be restored only through a meter tested in an accredited test laboratory and metering equipment of appropriate rating subject to satisfying the condition as specified in sub-regulation (2). In such cases, the licensee or supplier concerned, as the case may be, shall also verify the connected load at the premises and record details of equipment found in the premises, in the inspection report.

(4) In cases where the theft of electricity by by-passing the meter or metering equipment is detected and the electrical load, fully or partially, or the accused person's connection is found connected directly with the lines, cables or electrical plant, electric supply to such premises shall be disconnected forthwith as stipulated in sub-regulation (2) and shall be restored only after the cause of theft is removed to the satisfaction of the licensee or supplier concerned, as the case may be, and subject to satisfying the condition as stipulated in sub-regulation (2).

(5) In cases of theft by direct tapping from the licensee's or supplier's lines, cables or electrical plant of the licensee or supplier, if the accused person unauthorizedly connects or reconnects any meter of the licensee or supplier in a disconnected service, then electric supply to such premises or place shall be disconnected forthwith as stipulated in sub-regulation (2). The licensee or supplier concerned, as the case may be, may subsequently remove or divert or convert his line, cable or electrical plant to prevent further theft of electricity provided that such action shall not result in any inconvenience in affording quality supply or disruption of supply, to other consumers.

(6) The authorized officer and any other officer of the licensee or supplier concerned, as the case may be, who accompanied the authorized officer shall sign the inspection report in all the above cases and obtain signatures of the accused person or his representative and the same must be handed over to the accused person or his representative at site immediately under proper receipt. In case of refusal by the accused person either to sign or accept or give a receipt, a copy of inspection report must be pasted at a conspicuous place in or outside the premises and a note recorded on the office copy of the inspection report to the effect that the copy of the report has been pasted at the conspicuous place of the premises. A copy of the report shall be subsequently sent to the accused person of the premises under registered post within three days of inspection.

(7) Where it is established that there is a case of theft of energy, the authorized officer shall assess the quantum of energy consumption for the past twelve months as per the assessment formula given in Form 8 in Appendix to this code and prepare provisional assessment order for the charges for such consumption at two times of the tariff applicable (i.e the applicable tariff for the purpose for which the pilfered energy was used) and serve on the accused person under proper receipt. The authorized officer may reduce the period for such billing if it is established by the facts or documents submitted in the representation of the accused person or any such other evidence observed by the authorized officer. Wherever

electronic meters are installed and the load curves are studied periodically, the period of theft could be limited to the exact period as could be determined scientifically. The authorized officer shall record reasons for such reduction in the period of billing, in the assessment order. The energy consumption arrived at as per the formula referred to in the said Form 8 will be charged excluding the energy consumption recorded by the meter as per the rates specified by the Commission's Tariff Order.

(8) Within five days of inspection, the authorized officer shall serve on the accused person, provisional assessment order in the Form 9 in Appendix to this code for the charges for the theft of electricity based on the evidence recorded during the course of inspection. The order should clearly state the time, date and place at which the reply has to be submitted and the designation/ address of the officer to whom it should be addressed. The accused person shall be required to submit his representation within seven days of issue of the provisional assessment order.

(9) In case of suspected theft through a tampered meter, such tampered meter taken out and sealed at the time of inspection, as prescribed in sub regulation (3), shall be sent to the third party accredited meter testing laboratory as arranged by the licensee or supplier concerned, as the case may be, or to the Chief Electrical Inspector to the State Government till such time the third party meter testing arrangement is established by the licensee or supplier concerned, as the case may be. The accused person shall be given a notice of seven working days for witnessing the test of such meter at such meter testing laboratory. The notice shall clearly indicate the time, date and place wherein the suspected tampered meter shall be tested and the accused person shall be allowed to witness the test. The accused person shall duly sign the test results report after witnessing it. If such accused person does not turn up at the meter testing laboratory on the appointed date and time indicated in the notice to witness the test or refuses to sign the test results, the licensee or supplier concerned, as the case may be, shall carryout the test in the absence of such accused person and shall send a copy of results to the accused person through registered post within three days of the date of testing.

(10) In cases where the meter has been tested at such meter testing laboratory and where it is established that there is a case of theft of energy, the procedure for assessment as specified in sub regulation (7) shall be followed.

(11) In case the accused person does not respond to the provisional order within seven working days, the licensee or supplier concerned, as the case may be, may proceed to initiate the recovery against the provisional assessment order.

(12) Within seven working days from the date of submission of such accused person's reply, if made within the seven working days from the date of receipt of provisional assessment order, the authorized officer shall arrange a personal hearing with such accused person. For this purpose the authorized officer shall serve a three days notice to such accused person to allow him for a personal hearing and shall also allow any additional submission of new facts or documents if any, during the course of hearing by such accused person. If such accused person does not respond to the notice in the matter, the authorized officer shall proceed to issue the final assessment order, as per the procedure specified herein after.

(13) Before the personal hearing, the authorized officer before whom personal hearing shall be conducted, shall analyze the case after carefully considering all the documents, submissions by the accused person, facts on record and the consumption pattern, whatever available.

(14) The authorized officer shall also compute the quantum of energy consumption for the past twelve months. The Assessment Officer may study the energy consumption pattern of the Service Connection concerned for the past one year or more. If necessary, it may also be compared with the load/production pattern or output of the service connection. In case of suspected theft, if consumption pattern is commensurate with the assessed consumption or in case of the decision that the case of suspected theft is not established, no further proceedings shall be taken and the decision shall be communicated to the accused person under proper receipt within three working days and the supply to the premises shall be restored forthwith.

(15) Considering the facts submitted by the accused person, the authorised officer shall issue, within seven working days from the date of enquiry, a final assessment order in Form 10 in Appendix to this code. If the accused person does not respond to the personal hearing, the authorised officer shall issue a final assessment order within fifteen days from the issuance of provisional assessment order. This speaking order shall contain a brief of inspection report, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same and the assessment charges as per sub-regulation (12). In the final assessment order, charges, if any, paid by the accused person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.

(16) The final assessment amount and the last date should be clearly stated in the speaking order. A copy of the speaking order shall be handed over to the accused person under proper receipt on the same day.

(17) The accused person shall be required to make the payment within seven working days of receipt of final assessment order. On deposit or payment of the assessed amount or electricity charges by the accused person, supply to the premises shall be restored as referred to in the third proviso of section 135 (1A) of the Act.

(18) In case of default in payment of the assessed amount, the licensee or supplier concerned, as the case may be, shall, after giving a fifteen days' notice in writing, remove meter and service line and also electrical plant for giving supply to this connection. However if the accused person makes payment within notice period, surcharge applicable to that category shall also be payable as prescribed in this code.

(19) In case where the theft of electricity in the premises which does not have regular electricity connection, has been detected and the licensee or supplier concerned, as the case may be, shall forthwith disconnect the supply to such premises. In such premises supply shall be given only after the accused person has cleared the dues to be paid on account of charges assessed for theft of electricity in full including surcharge if any and has availed a regular new connection after completing the required formalities.

(20) If the accused person does not make payment, the licensee or supplier concerned, as the case may be, may proceed to recover its dues against such order and take such further action as is permitted under the Act.

(21) If no person is available to whom the provisional or final assessment order can be served with reasonable diligence or if any person refuses to accept or avoids to receive such order, it shall be affixed at the inspected premises in the presence of two witnesses and in such case an endorsement to the effect shall be made in the copy of such order. An assessment order so affixed shall be deemed to have been duly served to the person or occupier of the premises.

(22) In case of compounding the notice as in Form 11 in Appendix to this code may be issued and the amount collected as per section 152 of the Act.

Explanation: For the purpose of this regulation and regulation 23-BB:

(a) "accused person" shall mean and include the owner or occupier of the premises or his authorized agent or representative or any other person who is in occupation or possession or in charge of the premises at the relevant time of detection of theft of electricity or any other person who has been benefited by the theft of electricity.

(b) "authorised officer", shall in case if he is not an officer of the licensee or supplier, as the case may be, mean and include an officer designated or appointed as an authorised officer by the State Government for the purpose of dealing with theft of electricity as provided in the Act, including the assessment of theft of energy empowered under this code.

(c) "licensee or supplier" means and includes the licensee or supplier, as the case may be or his franchisee or his authorized agent or representative who alleges the occurrence of theft of electricity.]

¹Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25.5.2007 (w.e.f. 1.9.2004)**

²*Substituted as per Commission's Notification No. TNERC/SC/7-5, dated, 23-8-2007 (w.e.f. 15-06-2007) which before substitution stood as under*

(AA) The Procedure for assessment of the electricity charges, disconnection of supply of electricity and removing the meter, electric line, electric plant and other apparatus in case of theft of electricity is detailed below:

(1) The officer authorized under sub-section (2) of section 135 of the Act (hereinafter referred to as the authorized officer), may either suo-motu or on receipt of reliable information regarding theft of electricity in any premises, conduct inspection of such place or premises (The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure shall apply, as far as may be, to searches and seizure under this Act.)

(2) The authorized officer shall prepare a report at the place or premises giving details such as connected load, condition of seals, working of meter and record, modus operandi adopted for theft of energy. Any damage or destruction to the electric meter, metering equipments, apparatus, line, cable or electrical plant of the licensee concerned caused or allowed to be caused by the accused person so as to interfere with the proper or accurate metering of electricity or for theft of electricity shall also be duly recorded in the report indicating whether conclusive evidence substantiating the fact that theft of energy was found or not. The authorized officer may also take photo or prepare a diagram illustrating the arrangements found to have been made for theft of electricity, wherever feasible and such photo or diagram shall form a part of inspection report.

(3) In case of suspected theft by tampering of meter or metering equipment, meter connection security seal or by replacing original seal by bogus seal, the meter shall be removed and sealed and a separate report shall be prepared on the condition of the meter and metering equipment removed and sealed. At the time of sealing, signatures of the accused person and also of the officers of licensee concerned and any other witness shall be obtained on this report. This report shall also form a part of the inspection report. The supply shall be restored through a meter tested in a accredited test laboratory and metering equipment of appropriate rating. In such cases, the licensee concerned shall also verify the connected load at the premises and record details of equipment found in the premises, in the inspection report.

(4) In cases where the theft of electricity by by-passing the meter or metering equipment is detected and the electrical load, fully or partially, or the accused person's connection is found connected directly with the lines, cables or electrical plant, electric supply to such premises shall be disconnected forthwith on the spot by the licensee concerned and shall be restored only after the cause of theft is removed to the satisfaction of the licensee concerned and the accused person gives an undertaking to pay charges of assessment bill, with due opportunity to him for making representation.

(5) *In cases of theft by direct tapping from the licensee's lines, cables or electrical plant of the licensee, if the accused person unauthorizedly connects or reconnects any meter of the licensee in a disconnected service, then electric supply to such premises or place shall be disconnected forthwith by the licensee concerned. The licensee concerned may subsequently remove or divert or convert his line, cable or electrical plant to prevent further theft of electricity provided that such action shall not result in any inconvenience in affording quality supply or disruption of supply, to other consumers.*

(6) *The authorized officer and any other officer of the licensee concerned who accompanied the authorized officer shall sign the inspection report in all the above cases and obtain signatures of the accused person or his representative and the same must be handed over to the accused person or his representative at site immediately under proper receipt. In case of refusal by the accused person either to sign or accept or give a receipt, a copy of inspection report must be pasted at a conspicuous place in or outside the premises and a note recorded on the office copy of the inspection report to the effect that the copy of the report has been pasted at the conspicuous place of the premises. A copy of the report shall be subsequently sent to the accused person of the premises under registered post within three days of inspection.*

(7) *Where it is established that there is a case of theft of energy, the authorized officer shall assess the quantum of energy consumption for the past twelve months as per the assessment formula given in Form 8 in Appendix to this code and prepare provisional assessment order for the charges for such consumption at two times of the tariff applicable (i.e) the applicable tariff for the purpose for which the pilfered energy was used) and serve on the accused person under proper receipt. The authorized officer may reduce the period for such billing if it is established by the facts or documents submitted in the representation of the accused person or any such other evidence observed by the authorized officer. Wherever electronic meters are installed and the load curves are studied periodically, the period of theft could be limited to the exact period as could be determined scientifically. The authorized officer shall record reasons for such reduction in the period of billing, in the assessment order. The energy consumption arrived at as per the formula referred to in the said Form 8 will be charged excluding the energy consumption recorded by the meter as per the rates specified by the Commission's Tariff Order.*

(8) *Within five days of inspection, the authorized officer shall serve on the accused person, provisional assessment order in the Form 9 in Appendix to this code for the charges for the theft of electricity based on the evidence recorded during the course of inspection. The order should clearly state the time, date and place at which the reply has to be submitted and the designation/address of the officer to whom it should be addressed. The accused person shall be required to submit his representation within seven days of issue of the provisional assessment order.*

(9) *In case of suspected theft through a tampered meter, such tampered meter taken out and sealed at the time of inspection, as prescribed in sub regulation (3), shall be sent to the third party accredited meter testing laboratory as arranged by the licensee concerned or to the Chief Electrical Inspector to the State Government till such time the third party meter testing arrangement is established by the licensee concerned. The accused person shall be given a notice of seven working days for witnessing the test of such meter at such meter testing laboratory. The notice shall clearly indicate the time, date and place wherein the suspected tampered meter shall be tested and the accused person shall be allowed to witness the test. The accused person shall duly sign the test results report after witnessing it. If such accused person does not turn up at the meter testing laboratory on the appointed date and time indicated in the notice to witness the test or refuses to sign the test results, the licensee concerned shall carryout the test in the absence of such accused person / refusal to sign the test results and shall send a copy of results to the accused person through registered post within three days of the date of testing.*

(10) *In cases where the meter has been tested at such meter testing laboratory and where it is established that there is a case of theft of energy, the procedure for assessment as specified in sub regulation (7) shall be followed.*

(11) *In case the accused person does not respond to the provisional order within seven working days, the licensee concerned may proceed to initiate the recovery against the provisional assessment order.*

(12) *Within seven working days from the date of submission of such accused person's reply, if made within the seven working days from the date of receipt of provisional assessment order, the authorized officer shall arrange a personal hearing with such accused person. For this purpose the authorized officer shall serve a three days notice to such accused person to allow him for a personal hearing and shall also allow any additional submission of new facts or documents if any, during the course of hearing by such accused person. If such accused person does not respond to the notice in the matter, the authorized officer shall proceed to issue the final assessment order, as per the procedure specified herein after.*

(13) *Before the personal hearing, the authorized officer before whom personal hearing shall be conducted, shall analyze the case after carefully considering all the documents, submissions by the accused person, facts on record and the consumption pattern, whatever available.*

(14) *The authorized officer shall also compute the quantum of energy consumption for the past twelve months. The Assessment Officer may study the energy consumption pattern of the Service Connection concerned for the past one year or more. If necessary, it may also be compared with the load/production pattern or output of the service connection. In case of suspected theft, if consumption pattern is commensurate with the assessed consumption or*

in case of the decision that the case of suspected theft is not established, no further proceedings shall be taken and the decision shall be communicated to the accused person under proper receipt within three working days.

(15) Considering the facts submitted by the accused person the authorised officer shall pass, within seven working days from the date of enquiry, a final assessment order in Form 10 in Appendix to this code. If the accused person does not respond to the personal hearing, the authorised officer shall issue a final assessment order within fifteen days from the issuance of provisional assessment order. Final assessment order shall contain a brief of inspection report, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same and the assessment charges as per sub-regulation (12). In the final assessment order, charges, if any, paid by the accused person during the period for which the assessment is done shall be duly credited, if warranted, to avoid duplication of billing for such period.

(16) The accused person shall be required to make the payment within seven working days of receipt of final assessment order.

(17) The authorized officer may, taking into consideration the financial position and other conditions of the accused person, extend the last date of payment or approve the payment to be made in instalments on a written request made by the accused person and an undertaking is given by him to abide by the schedule of payment along with surcharge due, as per rules. The amount, the extended last date and or time schedule of payment in instalments should be clearly stated in the speaking order. A copy of the speaking order shall be handed over to the accused person under proper receipt on the same day.

(18) In case of default in payment of the assessed amount, including default in payment of any of the scheduled instalments permitted by the authorized officer and agreed by the accused person, the licensee concerned shall, after giving a fifteen days' notice in writing, disconnect the supply of electricity, remove meter and service line and also electrical plant for giving supply to this connection. However if the accused person makes payment within notice period, surcharge applicable to that category shall also be payable as prescribed in this code.

(19) In case where the theft of electricity in the premises which does not have regular electricity connection, has been detected and the licensee concerned shall forthwith disconnect the supply to such premises. In such premises supply shall be restored only after the accused person has cleared the dues to be paid on account of charges assessed for theft of electricity in full and has availed a regular new connection after completing the required formalities.

(20) If the accused person does not make payment, the licensee concerned may proceed to recover its dues against such order and take such further action as is permitted under the Act.

(21) If no person is available to whom the provisional or final assessment order can be served with reasonable diligence or if any person refuses to accept or avoids to receive such order, it shall be affixed at the inspected premises in the presence of two witnesses and in such case an endorsement to the effect shall be made in the copy of such order. An assessment order so affixed shall be deemed to have been duly served to the person or occupier of the premises.

(22) In all the above cases, except the cases for which compounding money has already been collected, the licensee shall file a complaint as provided for in section 151 of the Act, against the accused person suspected to have committed the theft of electricity on the basis of the materials collected by the authorized officer who has conducted the inspection. In case of compounding the notice as in Form 11 in Appendix to this code may be issued and the amount collected as per section 152 of the Act.

Explanation: For the purpose of this regulation and regulation 23-BB:

(a) "accused person" shall mean and include the owner or occupier of the premises or his authorized agent or representative or any other person who is in occupation or possession or in charge of the premises at the relevant time of detection of theft of electricity or any other person who has been benefited by the theft of electricity .

(b) "authorised officer", shall in case if he is not an officer of the licensee concerned, mean and include an officer designated or appointed as an authorised officer by the State Government for the purpose of dealing with theft of electricity as provided in the Act, including the assessment of theft of energy empowered under this code.

(c) "licensee concerned " means and includes the licensee or his franchisee or his authorized agent or representative who alleges the occurrence of theft of electricity.

(B) Theft of electric lines and materials

(1) Section 136 of the Act, which deals with theft of electric lines and materials, reads as follows :

“(1) Whoever, dishonestly,—

(a) cuts or removes or takes away or transfers any electric line, material or meter from a tower, pole, any other installation or place of installation or any other place, or site where it may be rightfully or lawfully stored, deposited, kept, stocked, situated or located, including during transportation, without the consent of the Licensee or the owner, as the case may be, whether or not the act is done for profit or gain; or

(b) stores, possesses or otherwise keeps in his premises, custody or control, any electric line, material or meter without the consent of the owner, whether or not the act is committed for profit or gain; or

(c) loads, carries, or moves from one place to another any electric line, material or meter without the consent of its owner, whether or not the act is done for profit or gain, is said to have committed an offence of theft of electric lines and materials, and shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

(2) If a person, having been convicted of an offence punishable under sub-section (1) is again guilty of an offence punishable under that sub-section, he shall be punishable for the second or subsequent offence for a term of imprisonment which shall not be less than six months but which may extend to five years and shall also be liable to fine which shall not be less than ten thousand rupees.”

¹**(BB)** The measures to prevent diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter are detailed below:

(1) The licensee shall arrange for routine testing and certification of different meters as stipulated in the Central Electricity Authority (Installation and Operation of Meters) Regulations 2006 and in any other directions issued by the Commission.

(2) The licensee shall arrange to provide pilfer proof meter boxes and meters with anti tampering features as stipulated in the regulations made by Authority under the Act on Installation and Operation of Meters in all industrial new connections and at least in 10% existing industrial connections every year. This may be extended to other categories whose load / demand is more than 18.6 KW.

(3) All new Industrial, HT and EHT metering systems shall be immune to external influences like magnetic induction, vibration, electrostatic discharge, switching Transients, Surge Voltages, oblique suspension, harmonics or any other factor. This may be extended to other categories whose existing contracted load / demand is more than 18.6 KW.

(4) The licensee shall arrange for regular and surprise inspection of premises by their officers to ensure prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. At least 5% of total connections should be inspected annually and the provisions contained in Sections 126 and 135 (2) shall be effectively implemented.

(5) Priority shall be given to detection of theft of electricity cases by the licensee, particularly in theft prone areas.

(6) The licensee shall evolve a system and put in place within three months for carrying out regular monthly monitoring of consumption of high value consumer, which shall include all the HT connections and LT connections having contract demand of 18.6 KW and above. Variations in the consumption shall be carefully analyzed. The licensee shall arrange prompt inspection in doubtful cases.

(7) The licensee shall endeavour to install remote metering devices on all HT connections on priority, and may be implemented over a period of time after analysing cost economics, for the purpose of monitoring of consumption and prevention of theft of electricity. The licensee shall further endeavour to install remote metering devices on high value LT connections.

(8) The licensee shall arrange to give due publicity through the media, TV, newspaper and by displaying in boards at consumer service related offices of the licensee to bring awareness regarding the level of commercial losses due to theft or unauthorized use of electricity, its implication on the honest consumers and seek the co-operation of the consumers for prevention of theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter. The licensee shall also display boards containing the information on the above at its consumer service related offices.

¹Inserted as per Commission's Notification No. **TNERC/SC/7-4 dated 25.5.2007 (w.e.f. 1.09.2004)**

(9) The licensee shall arrange to display feeder wise losses, efforts made for prevention of diversion of electricity, theft or unauthorized use of electricity or tampering, distress or damage to electrical plant, electric lines or meter and results obtained during the year, on its website.

(10) The licensee shall arrange to provide requisite security staff to the inspecting officers for their safety and expenses on such account shall be a pass through in the Annual Revenue Requirement of the licensee. Such security staff shall invariably accompany the inspecting officers in order to ensure safety of the inspecting officer.

(11) The licensee shall arrange to install meter on distribution transformers of the suspected area where the possibilities of theft of electricity exists and shall monitor the consumption of such meters with the consumption of individual consumer meters connected to the distribution transformer. The licensee shall carry out intensive inspection in areas, if the difference in consumption of the distribution transformers meter and individual consumer meters connected to the distribution transformer is abnormal.

(12) The licensee may provide HV distribution system in theft prone areas using small capacity distribution transformer, wherever necessary, to prevent theft by direct hooking.

(13) The licensee is authorized to relocate the meters of existing consumers to an appropriate location so that it is outside the premises but within the boundary wall and easily accessible for reading, inspection/testing and other related works.

(14) The licensee shall ensure that meter readers are rotated in such a manner that their area of meter reading is changed at least once in a year.]

(C) Punishment for receiving stolen property

(1) Section 137 of the Act, which deals with punishment for receiving stolen property, reads as follows :

“Whoever, dishonestly receives any stolen electric line or material knowing or having reasons to believe the same to be stolen property, shall be punishable with imprisonment of either description for a term which may extend to three years or with fine or with both.”

(D) Interference with meters or works of Licensee

(1) Section 138 of the Act, which deals with interference with meters or works of Licensee reads as follows :

“(1) Whoever,—

(a) unauthorizedly connects any meter, indicator or apparatus with any electric line through which electricity is supplied by a Licensee or disconnects the same from any such electric line; or

(b) unauthorizedly reconnects any meter, indicator or apparatus with any electric line or other works being the property of a Licensee when the said electric line or other works has or have been cut or disconnected; or

(c) lays or causes to be laid, or connects up any works for the purpose of communicating with any other works belonging to a Licensee; or

(d) maliciously injures any meter, indicator, or apparatus belonging to a Licensee or willfully or fraudulently alters the index of any such meter, indicator or apparatus or prevents any such meter, indicator or apparatus from duly registering;

shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to ten thousand rupees, or with both, and, in the case of a continuing offence, with a daily fine which may extend to five hundred rupees; and if it is proved that any means exist for making such connection as is referred to in clause (a) or such re-connection as is referred to in clause (b) , or such communication as is referred to in clause (c), for causing such alteration or prevention as is referred to in clause (d), and that the meter, indicator or apparatus is under the custody or control of the consumer, whether it is his property or not, it shall be presumed, until the contrary is proved, that such connection, reconnection, communication alteration, prevention or improper use, as the case may be, has been knowingly and willfully caused by such consumer.”

(E) Negligently breaking or damaging works

(1) Section 139 of the Act, which deals with negligent usage, reads as follows :

“Whoever, negligently breaks, injures, throws down or damages any material connected with the supply of electricity, shall be punishable with fine which may extend to ten thousand rupees.”

(F) Penalty for intentionally injuring works

(1) Section 140 of the Act, which deals with the penalty for maliciously wasting electricity or injuring works, reads as follows:

“Whoever, with intent to cut off the supply of electricity, cuts or injures, or attempts to cut or injure, any electric supply line or works, shall be punishable with fine which may extend to ten thousand rupees.”

(G) Extinguishing public lamps

(1) Section 141 of the Act, which deals with penalty for extinguishing public lamps, reads as follows:

“Whoever, maliciously extinguishes any public lamp shall be punishable with fine which may extend to two thousand rupees.”

24. Compounding of offences

¹[(1)Compounding of offences shall be done in accordance with section 152 of the Act.

(2) In case the Government of Tamil Nadu has notified the rate for compounding in accordance with the proviso to sub section (1) of section 152 of the Act, the same shall apply for the purpose of compounding.]

25. Power for Licensee to enter premises and to remove fittings or other apparatus of Licensee

(1) Section 163 of the Act provides for the powers for Licensee to enter premises and reads as:

“(1) A Licensee or any person duly authorized by a license may, at any reasonable time, and on informing the occupier of his intention, enter any premises to which electricity is, or has been, supplied by him, of any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him for the purpose of—

(a) Inspecting, testing, repairing or altering the electric supply-lines, meters, fittings, works and apparatus for the supply of electricity belonging to the Licensee; or

(b) Ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or

(c) Removing where a supply of electricity is no longer required, or where the Licensee is authorized to take away and cut off such supply, any electric supply-lines, meters, fittings, works or apparatus belonging to the Licensee.

(2) A Licensee or any person authorized as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier, —

(a) enter any premises or land referred to in sub-section (1) for any of the purposes mentioned therein;

(b) enter any premises to which electricity is to be supplied by him, for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.

¹Substituted as per Commission's No **TNERC/SC/7-19 /dated, 06.05.2010 (w.e.f. 26-06-2008)** which before substitution stood as under :

(1) Section 152 of the Act which deals with compounding of offences reads as :

“(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), the Appropriate Government or any officer authorized by it in this behalf may accept from any consumer or person who committed or who is reasonably suspected of having committed an offence of theft of electricity punishable under this Act, a sum of money by way of compounding of the offence as specified in the Table below :

Nature of Service (1)	Rate at which the sum of money for Compounding to be collected per Kilowatt (KW) / Horse Power (HP) or part thereof for Low Tension (LT) supply and per Kilo Volt Ampere (KVA) of Contracted demand for High Tension (HT) (2)
1. Industrial Service 2. Commercial Service 3. Agricultural Service 4. Other Services	twenty thousand rupees ; ten thousand rupees ; two thousand rupees ; four thousand rupees ;

Provided the Appropriate Government may, by notification in the official Gazette, ended the rates specified in the Table above.

(2) On payment of the sum of money in accordance with sub-section (1), any person in custody in connection with that offence shall be set at liberty and no proceedings shall be instituted or continued against such consumer or person in any criminal court.

(3) The acceptance of the sum of money for compounding an offence in accordance with sub-section (1) by the Appropriate Government or an officer empowered in this behalf shall be deemed to amount to an acquittal within the meaning of Section 300 of the Code of Criminal Procedure, 1973 (2 of 1974).

(4) The compounding of an offence under sub-section (1) shall be allowed only once for any person or consumer”]

(3) Where a consumer refuses to allow a Licensee or any person authorized as aforesaid to enter his premises or land in pursuance of the provisions of sub-section (1) or, sub-section (2), when such Licensee or person has so entered, refuses to allow him to perform any act which he is authorized by those sub-sections to perform, or fails to give reasonable facilities for such entry of performance, the Licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer."

26. Code to be read along with Distribution Code, Electricity Act 2003 and amendments etc.,

(1) As this Code is intended to deal with the working relations between the Licensee and the consumer, this Code shall be read along with the Distribution Code, the State Grid Code and other relevant provisions of the Act, rules and regulations made there under pertaining to supply and consumption of electricity.

(2) Where any of the provisions of this Code is found to be inconsistent with those of the Act, rules or regulations made there under, notwithstanding such inconsistency, the remaining provisions of this Code shall remain operative.

(3) Where any dispute arises as to the application or interpretation of any provision of this Code, it shall be referred to the Commission whose decision shall be final and binding on the parties concerned.

(4) Wherever extracts of the Electricity Act 2003 are reproduced, any changes / amendments to the original Act shall automatically be deemed to be effective under this Code also.

CHAPTER 5 : CODE REVIEW PANEL

27. Appointment of Code Review Panel

- (1) The Commission may appoint a Code Review Panel (hereafter in this Chapter referred to as "Panel") consisting of
- (a) ¹[A Chairman who is a member of the Commission.
 - (b) A Member Secretary, who is not below the rank of Chief Engineer of STU.
 - (c) One Member from the SLDC who is not below the rank of Chief Engineer.
 - (d) One representative from each of the distribution Licensees who is not below the rank of Chief Engineer].
 - (e) One Member from Rural Electricity Co-operatives Societies if any.
 - (f) One representative from domestic consumer sector, one from LT industry sector and one from agricultural consumer sector.
 - (g) One Member representing the EHT / HT consumers.
 - (h) One member representing captive / non-conventional energy source.

(2) The panel may, from to time, and in any case, at least once in three months and shall, when so required by the Commission, meet to consider changes or modifications to the Code as may be warranted. ²[The Member Secretary shall arrange for the panel meeting in consultation with the Chairman of the Code Review Panel. The tenure of the members mentioned under clauses (f), (g) and (h) of sub-regulation (1) shall be three years. The Commission shall have powers to re-nominate any member on expiry of his / her term].

(3) The functions of the panel are-

- (a) to review the working of various provisions of this Code, ³[***]and the Distribution Code.;
- (b) to consider the suggestions received from Licensees, consumers and other interested persons;
- (c) to consider and offer its views on any specific matter as may be referred to it by the Commission.

¹Substituted as per Commission's Notification No. TNERC/SC/7-14, dated, 29-06-2009 (w.e.f.22-7-2009) which before substitution stood as under:

- (a) **A Chairman who is not below the rank of Chief Engineer or an equivalent cadre from STU.**
- (b) **A Member Secretary, who is an officer not below the rank of a Superintending Engineer or an equivalent cadre from STU.**
- (c) **One Member from the SLDC.**
- (d) **One representative from each of the distribution Licensees.**

² Inserted as per Commission's Notification No. TNERC/SC/7-14, dated, 29-06-2009 (w.e.f. 22-7-2009)

³The words "the State Grid Code" omitted as per Commission's Notification No. TNERC/SC/7-4 dated 25-5-2007 (w.e.f. 13-6-2007)

(4) Manner of reviewing the Code:—

(i) Any Licensee, consumer or other interested persons desiring any change in this Code shall send the proposal in writing to the Panel specifying the reasons for such change and setting out the attendant circumstances. For this purpose, the Licensee may hold meetings with the consumer or group of consumers if it is considered that the Code may require changes to meet the individual requirements of the consumer or group of consumers.

(ii) The Panel shall, upon receipt of such proposal or where the Commission has made a reference, forward the same to the STU for its consideration and written comments.

(iii) The Panel shall convene a meeting of its members to consider the comments of the STU, and if necessary at its discretion, invite and hear the person who made the suggestions for change and other interested persons and also the local authorities and telecommunication companies.

(iv) The Panel may, in considering the suggestion and the comments of the STU thereon, set up sub committees to study the related issues.

(v) The Panel after finalizing its views on the modifications to the Code, forward the same to the Commission:

Provided that the Panel may supplement its own procedure in addition to the procedure laid down herein for conducting its meetings and in carrying out its functions.

(5) The Commission may approve the changes with or without modification as it may deem fit and cause the publication of the same in such manner as may be necessary.

(By Order of the Tamil Nadu Electricity Regulatory Commission)

R.V. RAJAH,
Secretary,
Tamil Nadu Electricity,
Regulatory Commission.

¹[Appendix] FORM-1 [Refer to Regulation 5(7)]

To
The Designated Engineer,
.....
.....

I, Thiru (S/o)/ (D/o)/ (W/o) aged Years, am residing at
(Full Address & Phone No.)
.....

The premises bearing Door No. Name of Street..... Village / Town
Taluk with Service Connection No. Tariff Distribution
In the name of S/o..... is in my possession.

(1) The Xerox copy of the sale deed in my favour for the said premises is enclosed.

or

The property tax receipt for the above property is given in my name and Xerox copy of the same duly attested by Gazetted Officer is enclosed.

or

Metro Water / Sewerage Connection is given in my name and the Xerox copy of the same duly attested by Gazetted Officer is enclosed.

or

Legal Heirship Certificate from the Tahsildar concerned

(2) Application and Agreement Form

(3) Indemnity Bond on Rs.80/- Non-judicial stamp paper (Applicable in the case of name transfer due to legal succession)

I undertake to pay amounts outstanding against the Account No. which are found to be due at a later date.

I request that the name of Service No. may kindly be changed to my name.

Signature of transferee,
Full Address.

Place:

Date :

¹Inserted as per Commission's Notification No. **TNERC/SC/7-4, dated 25-5-2007 (w.e.f. 13-6-2007)**

FORM-2

NAME TRANSFER FORMS [REFER TO REGULATION 5 (7)]

(To be used as a consent letter from transferor in case of sale etc.)

To

The Designated Engineer /

Address of the Licensee Engineer

I.....(S/o. D/o. W/o.)owner of premises bearing Door No.(Name of the Street Place) hereby give my consent for the transfer of service bearing A/c. No.standing in my name / in the name of to Thiru/Tmty.]S/o. D/o. W/o.since I had sold my house to him/her.....

The transfer may be effected with available deposit / subject to the condition that the transferee pays the security deposit and other charges *.

Signature of transferor,
Full Address.

Place

Date

* Strike out the portion not required

FORM-3 [Refer to Regulation 5(7)]

INDEMNITY BOND

Sub: Electricity – Distribution – Transfer of Security
Deposit and Service Connection – Premises
No.A/c. No.....

I.....son of/ daughter of/ wife of Thiru/Tmty.....do hereby declare that Thiru/Tmty.....owner of the above premises has expired on.....and I am the legal heir to the deceased, I desire to have the security deposit and service connections transferred in my name. I agree to indemnify the Licensee against any losses, damages etc., arising consequent on any disputes by reason of the security deposit and service connections being transferred to me as the legal heir to the property of late Thiru.

The Licensee shall have the right to proceed against me not only in respect of movable and immovable properties belonging to me but also against me personally in regard to all liabilities past, present and future claims relating to this service connection. The above facts are certified to be correct.

SIGNATURE OF THE CONSUMER

Signed before me

Notary Public / Gazetted Officer

Station

Date

FORM-4 [Refer to Regulation 5(7)]

UNDERTAKING

Whereas I/WeS/o. D/o. W/o..... (a firm under the name and style of)..... herein after called consumer, have approached the (Name of Licensee) herein after referred to as Licensee for transfer of A/C No.....for supply atin my/our name and where as the Licensee after perusal of documents produced by me/us has agreed to effect transfer of account, as sought for by the consumer, this undertaking witness the following:

The consumer shall pay on demand and without demand all dues to the Licensee including such dues as may become payable as a result of revision of bills relating to the period prior to the transfer of account in his/her/their name. The commitment to pay the demands relating to the period prior to the transfer of account will include such demands omitted to be made periodically and such omission has been detected after the service has been transferred in the name of the consumer.

2. The Consumer agrees that the Licensee shall have the right to enforce disconnection of supply in the event of consumer failing to fulfill the obligation of this undertaking.

3. The consumer further agrees to indemnify the Licensee against any loss/damage or any other liability, the Licensee may suffer as a result of any dispute or disputes raised by the consumer himself/herself/themselves or by any other party with regard to this transfer of account at any time.

SIGNATURE

WITNESS WITH ADDRESS

1.

2.

FORM-5 [Refer to Regulation 22(8)]

UNDERTAKING FOR PAYMENT OF DUES IN INSTALLMENTS.

Undertaking to be furnished by a consumer who seeks to avail the facility of paying his dues in installments

From

To

The Designated Engineer

Distribution Licensee Name and address

UNDERTAKING

Sir,

In consideration of my/our paying the amounts in installments towards

I, for and on behalf ofundertake-

(i) to pay the total dues of Rs.(Rupees.....) in monthly installments subject to levy of Belated Payment Surcharge in case of default to pay the installment on the dates specified below-First installment Rs.payable on or before Second installment Rs.payable on or before Third installment Rs.payable on or before and so on

(ii) to adhere strictly to the schedule of installments and also to pay before the due dates the monthly/bi-monthly current consumption charges failing which the supply may be disconnected without further notice and the re-connection may be effected only an settlement of the entire (including balance installment) dues with Belated Payment Surcharge for the installments not paid on the due date.

Signature

(Seal of the Company)

In the presence of-Witness

(Name and Address)—

(1)

(2)

FORM 6

(Refer to Regulation 20)

FORM OF APPEAL TO THE PRESCRIBED APPELLATE AUTHORITY UNDER SECTION 127 (1) OF THE ACT

- (1) Appeal No. _____ of
- (2) Name and address of the Appellant
- (3) Designation and address of the Assessing Officer passing the Order
- (4) Date of communication of the Order appealed against to the Appellant
- (5) Address to which notices may be sent to the Appellant
- (6) Amount ordered to be paid
- (7) Whether the ¹[half] of the assessed amount as required under Section 127 (2) of the Act is deposited (Documentary proof of the deposit shall be furnished)
- (8) Statement of facts (here state the facts briefly)
- (9) Grounds of Appeal (Here set out the grounds on which the appeal is made by the Appellant)
- (10) Whether the Appellant wishes to be heard in person or through an Advocate or authorised representative

(In case if the Appellant wishes to be represented by his authorised representative or by an Advocate then a Letter of Authority authorising the authorised representative to represent on his behalf or as the case may be, a Vakalat authorising the Advocate to represent his case shall be furnished)

- (11) Relief prayed for

Signature of the
authorised representative
if any

Signature of the Appellant

¹Substituted for the expression "one third" as per Commission's Notification No. **TNERC/SC/7-15, dated 09-10-2009 (w.e.f. 15-06-2007)**

FORM 7

Affidavit in support

(Refer to regulation 20)

BEFORE THE APPELLATE AUTHORITY UNDER SECTION 127 (1) OF ACT

APPEAL No.

(To be filled by the Office of the Appellate Authority)

Name and Address of the Appellant

APPELLANT

Designation and Address of the Assessing Officer

RESPONDENT

Affidavit of Verification by the Appellant in support of the Appeal Petition filed by him.

I, son ofaged residing at do solemnly affirm and say as follows:

1. I am the Appellant / Authorised Representative of the Appellant in the Appeal Petition filed by me against the orders of the Assessing Officer referred to above as the Respondent in my Appeal Petition and as such I am competent to verify the facts set out in my Appeal Petition.

2. I solemnly affirm at..... on this day of that

(i) the contents of the above appeal petition are true to my knowledge and I believe that no part of it is false and no material has been concealed there from.

(ii) that the statement made in paragraphs..... of the appeal petition herein now shown to me and marked with the letter 'A' are true to my knowledge and that.

(iii) the statements made in paragraphs..... Marked with the letter ' B' are based on information received from and I believe them to be true.

Identified before me by :

Signature of the Appellant

List of Abbreviations

- 1. DD - Demand Draft
- 2 HP - Horse Power
- 3 ISI - Indian Standards Institute
- 4 KVA - Kilo volt Ampere
- 5 KW - Kilo Watt
- 6 SLDC - State Load Despatch Centre

1[

Form 8**[See Regulation 23 (AA) (7)]****FORMULA TO ASSESS THE QUANTUM OF ENERGY IN CASE OF THEFT OF ELECTRICITY**

The following factors are to be considered to arrive at a formula for the assessment of quantum of energy in case of theft of electricity.

- (i) Nature of Service
- (ii) Connected load / Contracted demand
- (iii) Load factor
- (iv) Nature of feeder (Rural / Urban / Industrial) and supply restrictions in the feeder
- (iv) Per day usage hours for which assessment has to be made.

The authorized officer may take into account the following and arrive at the least period (duration) of theft:

- (i) for the period of twelve months
- (ii) for the period from the date of prior inspection if any by the Enforcement or meter testing wing to the date of detection
- (iii) from the date of service connection to the date of detection
- (iv) wherever electronic meters are installed and the load curves are studied periodically the period of theft could be limited to the exact period as could be determined scientifically.
- (v) Based on the document produced by the accused person.
- (vi) For any other reasonable period as assessed by the authorized officer to the best of his judgment

$$U = \frac{L \times LF \times H \times D}{DF}$$

Where

U = Quantum of energy Assessed in Units

L = Load / demand in KW

LF = Load factor

H = Number of hours the load is considered to be used in a day

D = Duration of assessment in days

DF = Diversity Factor

The following tables give the Load Factor, and the Number of hours per day usage for different categories of usage of the pilfered Energy.

TABLE – A

Usage Categories of pilfered energy.	Diversity factor.	Load Factor.	Number of hours per day.
Domestic (without Air conditioning load) and Huts	1	30%	12
Domestic (with Air conditioning load)	1	March to September 70%	12
		Other months 30%	12
Industrial including cottage industries power looms etc.	1	80%	As per Table - B
Public lighting and water supply	1	100%	8
Agricultural	1	100%	10
All other categories	1.1	90%	12

TABLE – B

Category		Number of hours per day.
1	Fed by High Tension rural feeders having only 14 hours of supply per day :-	
	i. Day Shift only	6
	ii. Night Shift only	8
	iii. Both day and night shifts	14
2	Fed by High Tension feeders having 24 hours of supply :-	
	i. Day shift only	8
	ii. 2 Shifts	16
	iii. 3 Shifts	24

i. The term “Usage Categories” given in Table - A refers to the purpose for which the suspected pilfered energy is used. For example if the pilfered energy in a hut service connection is used for domestic purpose, the assessment shall be made under “domestic category”, if it is used for commercial purpose, it shall be assessed under “all other categories” as mentioned in the above Table - A.

ii (a) For High Tension Service connections, the maximum demand shall be assessed as 75% of the total connected load at the time of inspection subject to a minimum of the contracted demand. A power factor of 0.90 lag may be used for conversion of KVA or KW.

(b) Assessment of demand charges:-

Twice the appropriate H.T. tariff rate for maximum demand.

FORM 9

[See Regulation 23 (AA) (8)]

PROVISIONAL ASSESSMENT ORDER FOR THEFT OF ENERGY UNDER SECTION 135/138 OF THE ELECTRICITY ACT, 2003

From (The Authorised Officer), To (Full address of the person in whose name the service connection stands (or) occupier (or) enjoyer, etc.)

Letter No.....dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....Provisional Assessment Order - Reg.

Ref: Inspection Report dated ...

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy was inspected by me in the presence of you/your representative Thiru/Thirumathy

2.0 * During the inspection it was found that an offence of theft of energy has been committed(describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee.

The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act, 2003.

3.0 The approximate loss caused by you due to dishonest abstraction*/illegal restoration of supply is assessed at Rs..... (Rupees) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith.

4.0 The assessment amount as referred to above shall be paid within 7 working days from the date of receipt of this order.

5.0 If you are desirous of filing objections, if any, against the provisional assessment, you may send your explanation to the address of the undersigned with sufficient proof, within seven days from the date of receipt of this order. You may also choose to appear in person or through an authorised representative with relevant documents for an enquiry before the undersigned.

6.0 You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,

Authorised Officer.....

Encl: Copies of

- 1. Report
- 2. Statement Recorded (if any)
- 3. Mahazar

Copy submitted to:

Copy to

He is instructed to arrange to serve this order to the accused person with dated acknowledgement and send the acknowledgement to this office.

* Strike out whichever is not applicable.

FORM 10

[See Regulation 23 (AA) (15)]

FINAL ASSESSMENT ORDER FOR THEFT OF ENERGY UNDER SECTION 135 OF THE ELECTRICITY ACT, 2003

From (The Authorised Officer), To [Full address of the person in whose name the service connection stands
(or) occupier
(or) enjoyer etc.)

Letter No.....,dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....Final Assessment Order - Reg.

Ref: 1. Provisional Assessment Order...

2. Your reply....

* * *

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy was inspected by me in the presence of you/your representative Thiru/Thirumathy

2.0 During the inspection it was found that an offence of theft of energy has been committed
.....
(describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee. The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act 2003.

3.0 A provisional assessment was issued to you in the reference cited and you were allowed to file your objections and to appear for a hearing as per the Tamil Nadu Electricity Supply Code.

4.0 On a detailed examination and on consideration of your explanation offered, facts and records furnished in your letter / during the personal hearing, it is found that the theft of electricity has been committed by you as described below:-

(A reasoned/detailed order to be passed by the Officer concerned taking into consideration the theft of electricity noticed, explanation and the findings. Reference to be made to the materials in support of the claim of the licensee about the existence of theft, the involvement or the role of the consumer with reference to the said theft of energy, submissions made by accused person in his written reply as well as during his personal hearing and reasons for acceptance or rejection of the same).

5.0 The loss caused by you due to dishonest* abstraction*/illegal restoration of supply is assessed at Rs.....(Rupees) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith. The assessment amount referred to above shall be paid within seven working days from the date of receipt of this order.

You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,

Authorised Officer.....

Encl: Copies of

1. Report
2. Statement Recorded (if any)
3. Mahazar
4. Provisional Assessment Order.

Copy submitted to:

He is instructed to arrange to serve the order to the accused person with dated acknowledgement and send the same to this office.

* Strike out whichever is not applicable.

FORM 11

[See Regulation 23(AA) (22)]

COMPOUNDING OF OFFENCE UNDER SECTION 152 OF THE ELECTRICITY ACT, 2003.

From

To

(The Authorized Officer),

[Full address of the person in whose name the service connection stands

(or) occupier

(or) enjoyer, etc.]

Letter No....., dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....- Order on Compounding Amount - Reg.

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy was inspected by me in the presence of you/your representative..... Thiru/Thirumathy

2.0 During the inspection it was found that an offence of theft of energy has been committed..... (describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee.

3.0 The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act 2003.

4.0 As you have opted for compounding of offence under section 152 of the Electricity Act, 2003, you are requested to pay Rs..... (Rupees) towards the compounding of the offence as mentioned above.

Yours faithfully,

Authorized Officer

Encl: Working sheet.

Copy to

]²]¹

²Substituted as per Commission's Notification No. TNERC/SC/7-5, dated 23-8-2007 (w.e.f. 15-06-2007) which before substitution stood as under:

FORM 9

[See Regulation 23 (AA) (8)]

PROVISIONAL ASSESSMENT ORDER FOR THEFT OF ENERGY UNDER SECTION 135/138 OF THE ELECTRICITY ACT, 2003.

From

To

(The Authorised Officer),

[Full address of the person in whose name the service connection stands

(or) occupier

(or) enjoyer, etc.]

Letter No.....dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....Provisional Assessment Order - Reg.

Ref: Inspection Report dated ...

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy was inspected by me in the presence of you/your representative Thiru/Thirumathy

2.0 During the inspection it was found that an offence of theft of energy has been committed(describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee.

The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act 2003.

3.0 The approximate loss caused by you due to dishonest abstraction/illegal restoration of supply is assessed at Rs..... (Rupees) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith.

4.0 The assessment amount as referred to above shall be paid within 15 days from the date of receipt of this order. Otherwise, the Service Connection is liable to be disconnected without further notice.

5.0 Extension of last date for payment or payment in instalments may be considered by the undersigned on a written request made by you subject to an undertaking to abide by the schedule of payment along with surcharge due, as per rules.

6.0 If you are desirous of filing objections, if any, against the provisional assessment, you may send your explanation to the address of the undersigned with sufficient proof, within seven days from the date of receipt of this order. You may also choose to appear in person or through an authorised representative with relevant documents for an enquiry before the undersigned.

7.0 You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,

Authorised Officer.....

Encl: Copies of

- 1. Report
- 2. Statement Recorded (if any)
- 3. Mahazar

Copy submitted to:

Copy to

He is instructed to arrange to serve this order to the accused person with dated acknowledgement and send the acknowledgement to this office.

* Strike out whichever is not applicable.

FORM 10

[See Regulation 23 (AA) (15)]

FINAL ASSESSMENT ORDER FOR THEFT OF ENERGY UNDER SECTION 135 OF THE ELECTRICITY ACT, 2003.

From (The Authorised Officer), To [Full address of the person in whose name the service connection stands (or) occupier (or) enjoyer etc.]

Letter No.....,dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....Final Assessment Order - Reg.

Ref: 1. Provisional Assessment Order...

2. Your reply....

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy was inspected by me in the presence of you/your representative Thiru/Thirumathy

2.0 During the inspection it was found that an offence of theft of energy has been committed (describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee. The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act, 2003.

3.0 A provisional assessment was issued to you in the reference cited and you were allowed to file your objections and to appear for a hearing as per the Tamil Nadu Electricity Supply Code.

4.0 On a detailed examination and on consideration of your explanation offered, facts and records furnished in your letter / during the personal hearing, it is found that the theft of electricity has been committed by you as described below:-

(A reasoned/detailed order to be passed by the Officer concerned taking into consideration the theft of electricity noticed, explanation and the findings. Reference to be made to the materials in support of the claim of the licensee about the existence of theft, the involvement or the role of the consumer with reference to the said theft of energy).

5.0 The loss caused by you due to dishonest* abstraction*/illegal restoration of supply is assessed at Rs.....(Rupees) in accordance with the regulations of the Tamil Nadu Electricity Supply Code, and a working sheet is enclosed herewith. The assessment amount referred to above shall be paid within fifteen days from the date of receipt of this order. Otherwise, the Service Connection is liable to be disconnected without further notice.

6.0 Extension of last date for payment or payment in instalments may be considered by the undersigned on a written request made by you subject to an undertaking to abide by the schedule of payments along with surcharges due.

You are requested to acknowledge the receipt of this order immediately.

Yours faithfully,

Authorised Officer.....

Encl: Copies of

- 1. Report
2. Statement Recorded (if any)
3. Mahazar
4. Provisional Assessment Order.

Copy submitted to:

He is instructed to arrange to serve the order to the accused person with dated acknowledgement and send the same to this office.

FORM-11

[See Regulation 23(AA) (22)]

COMPOUNDING OF OFFENCE UNDER SECTION 152 OF THE ELECTRICITY ACT, 2003.

From

To

(The Authorized Officer),

(Full address of the person in whose name the service connection stands

(or) occupier

(or) enjoyer, etc.)

Letter No.....,dated.....

Sir,

Sub: Theft of energy – Detected in SC No.....- Order on Compounding Amount - Reg.

1.0 On.....(the day, month, year of inspection) at..... (time) hours the service connection in SC No..... located at Door No....., in SF No..... (Full address of the service connection) which is/was in the name of Thiru/Thirumathy was inspected by me in the presence of you/your representative..... Thiru/Thirumathy

2.0 *During the inspection it was found that an offence of theft of energy has been committed..... (describe the actual mode of theft with details of artificial means found in the service/unauthorized reconnection of a disconnected service connection). By committing the said offence, you have dishonestly abstracted, consumed and used energy with the intention to defraud the licensee.

3.0 The above said illegal abstraction, consumption and use of energy is punishable under section 135 of the Electricity Act 2003.

4.0 As you have opted for compounding of offence under section 152 of the Electricity Act, 2003, you are requested to pay Rs..... (Rupees) towards the compounding of the offence as mentioned above.

Yours faithfully,

Authorized officer

Encl. Working sheet.

Copy to

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

TAMIL NADU ELECTRICITY DISTRIBUTION CODE

(As amended up to 31-12-2010)

Notification No. TNERC/DC/8-13, dated, 07-01-2010

No.VI(2)/246/2011.—

WHEREAS the Tamil Nadu Electricity Regulatory Commission have published in the *Tamil Nadu Government Gazette* on different dates the following, namely:—

- (1) The Tamil Nadu Electricity Distribution Code (TNEDC)
(Notification No.TNERC/DC/8/1, dated 21-07-2004)
- (2) The Tamil Nadu Electricity Distribution (Amendment) Code, 2005
(Notification No.TNERC/DC/8-1, dated 22-11-2005)
- (3) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006
(Notification No.TNERC/DC/8-2, dated 23-02-2006)
- (4) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006
(Notification No.TNERC/DC/8-2(1), dated 14-06-2006)
- (5) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006
(Notification No.TNERC/DC/8-3, dated 31-05-2006)
- (6) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006
(Notification No.TNERC/DC/8-4, dated 22-06-2006)
- (7) The Tamil Nadu Electricity Distribution (Amendment) Code, 2006
(Notification No.TNERC/DC/8-5, dated 20-07-2006)
- (8) The Tamil Nadu Electricity Distribution (Amendment) Code, 2007
(Notification No.TNERC/DC/8-6, dated 10-09-2007)
- (9) Tamil Nadu Electricity Supply Code, Distribution Code and Standards of Performance (Amendment) Regulations, 2007
(Notification No.TNERC/SC/7-6, dated 03-12-2007)
(Notification No.TNERC/DC/8-7, dated 03-12-2007)
(Notification No.TNERC/SPR/1-8, dated 03-12-2007)
- (10) The Tamil Nadu Electricity Distribution (First Amendment) Code, 2008
(Notification No.TNERC/DC/8-8, dated 08-02-2008)
- (11) The Tamil Nadu Electricity Distribution (Second Amendment) Code, 2008
(Notification No.TNERC/DC/8-9, dated 22-05-2008)
- (12) The Tamil Nadu Electricity Distribution Code, 2008
(Notification No.TNERC/DC/8-10, dated 31-07-2008)
- (13) The Tamil Nadu Electricity Distribution Code, 2008
(Notification No.TNERC/DC/8-11, dated 29-06-2009)
- (14) The Tamil Nadu Electricity Distribution Code, 2008
(Notification No.TNERC/DC/8-12, dated 24-08-2009)

AND WHEREAS, the Commission considers it necessary that the above Regulations with the amendments incorporated therein should be re-published in the *Tamil Nadu Government Gazette* so as to afford an effective and efficient upto date information to the public, to enable them to have a better understanding of the said Regulation along with the Amendments incorporated therein;

Now, the Commission hereby re-publishes the Tamil Nadu Electricity Distribution Code as amended up to 31-12-2009 in the ensuing Part VI—Section 2 of the *Tamil Nadu Government Gazette*.

Tamil Nadu Electricity Regulatory Commission

TAMIL NADU ELECTRICITY DISTRIBUTION CODE

Notification No. TNERC / DC / 8 / 1, Dated 21-07-2004

No.VI(2)/247/2011.—

WHEREAS under section 86 of the Electricity Act, 2003 (Central Act 36 of 2003), the State Electricity Regulatory Commission shall, among others, specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

AND WHEREAS section 46 of the said Act, the State Electricity Regulatory Commission may, by regulations, authorize a distribution licensee to charge from a person requiring a supply of electricity any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply;

NOW, THEREFORE under the powers conferred by the said sections and all other powers enabling in that behalf and after previous publication, the Tamil Nadu Electricity Regulatory Commission hereby specifies the following Code.

Chapter 1: Preliminary

1. (1) Short title and commencement

I. This Code may be called "**Tamil Nadu Electricity Distribution Code**"

II. The provisions of this Code shall come into effect on the date of its publication in the *Tamil Nadu Government Gazette*

2. Definitions

(1) In this Code, unless the context otherwise requires:

(a) "**Act**" means The Electricity Act, 2003 (Central Act 36 of 2003);

(b) "**Agreement**" means with its grammatical variations and cognate expressions an agreement entered into by the Licensee and the consumer;

(c) "**Apparatus**" means electrical apparatus and includes all machines, fittings, accessories and appliances in which conductors are used;

(d) "**Area of supply**" means the area within which a Licensee is for the time being authorized by his/her licence to supply electrical energy;

(e) "**Code**" means the Tamil Nadu Electricity Distribution Code;

(f) "**Commission**" means the Tamil Nadu Electricity Regulatory Commission;

(g) "**Conductor**" means any wire, cable, bar, tube, rail or plate used for conducting energy and so arranged as to be electrically connected to a system;

(h) "**Connected Load**" means the aggregate of the manufacturer's rating of all equipments connected to the consumer's installation and of all portable equipments and also the capacity of the power source required to test manufactured products and repaired equipment in the installation;

Explanation: Where the rating is in terms of KVA, it shall be converted to KW by multiplying it by a power factor of 0.9 and where the rating is in terms of HP, it shall be converted to KW by multiplying it by a factor of 0.746.

(i) "**Connection Point**" means the point at which the Consumer's plant or apparatus is connected to the Licensee's supply system.

(j) "**Contracted Load**" means the load specified in the agreement between the consumer and the Licensee engaged in the business of supplying electricity to him.

(k) "**Consumer's installation**" means any composite electrical unit including the electric wires, fittings, motors and equipments erected and wired by or on behalf of the consumer in one and the same premises.

(l) "**Consumer's premises**" means the area served by a service connection;

(m) "**Control Person**" means a person identified as having responsibility for cross boundary safety;

(n) **Demand**

a. "Average Demand" for the month means the ratio of the total kilowatt-hours consumed in the month to the total hours in the month.

b. "Maximum Demand" in a month means the highest value of the average Kilovolt- amperes in case of HT services and KW in case of LT services, delivered at the point of supply of the consumer during any consecutive thirty / fifteen minutes in a month depending on the nature of load.

c. "Permitted Demand," means the demand permitted by the Licensee taking into account the constraints in the transmission and distribution network.

d. "Sanctioned Demand" or "Contracted Demand" means the demand sanctioned by the Licensee and specified in the agreement.

(o) "**Designated Authority of the Licensee**" means an authority who has been notified as such by the Licensee in the manner prescribed by the Commission to exercise powers under specific provisions of this Code;

(p) "**Emergency**" means a situation arising out of threat to security of State, public order or a natural calamity or such other situation arising in the public interest which is likely to disrupt supply of electricity:

(q) 1["**Engineer**" means an engineer, by whatever name designated, employed by the distribution licensee and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code.]

(r) "**Extra High Tension (EHT) consumer**" means a consumer who obtains supply from the Licensee at Extra High Voltage.

(s) "**High Tension (HT) consumer**" means a consumer who obtains supply from the Licensee at High Voltage.

(t) "**Low Tension (LT) consumer**" means a consumer who obtains supply from the Licensee at Low or Medium Voltage:

(u) "**Load**" means connected load or contracted load, as the case may be;

(v) "**Load Factor**" means the ratio of the Average Demand for the month in terms of Kilowatts to the Maximum Demand for the month in terms of Kilowatts. The 'Load Factor' shall be calculated to three decimal places and rounded off to two decimal places.

(w) "**Month**" unless the context otherwise requires, shall mean a month reckoned according to the British Calendar. With reference to billing and payment, it shall mean the period between the date of meter reading in a particular month and the corresponding date of meter reading of the immediately succeeding or preceding month, as the context requires.

(x) "**Occupier**" means the person in occupation (whether as owner or otherwise) of the premises where electricity is used or intended to be used.

(y) "**Operational boundary**" means the boundary between the equipment and apparatus operated by the Licensee and those operated by the Consumer.

(z) "**Power Factor**" means the ratio of the real power to the apparent power and average power factor means the ratio of the Kilowatt-hours to the Kilovolt-ampere-hours consumed during the billing month.

(aa) "**SSLDC**" means State's Sub Load Dispatch Center for local control at various places in Tamil Nadu.

(bb) "**SLDC**" means State Load Dispatch Center at Chennai

(cc) "**Voltage**"

➤ "**Low Voltage**" where the voltage does not exceed 250 volts under normal conditions.

➤ "**Medium Voltage**" where the voltage is higher than 250 volts and does not exceed 650 volts under normal conditions

➤ "**High Voltage**" where the voltage is more than 650 volts and does not exceed 33,000 volts under normal conditions

➤ "**Extra High Voltage**" where the voltage exceeds 33,000 volts under normal conditions

¹Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

"**Engineer**" means an engineer, by whatever name designated, employed by the Licensee possessing such qualifications as are approved by the Commission and is in charge of the local area of supply and includes any other person duly authorized by him or his superiors, to exercise any power of an engineer under this Code"

(dd) “Year” means a year commencing on the first day of April.

Words and expressions used in this Code but not defined either in this Code or the Act or the General Clauses Act 1897(Central Act 10 of 1897) shall have the same meanings as understood in engineering and commercial circles.

Chapter 2: Entities pertaining to Distribution

3. Entities involved in distribution and their respective roles: The following are the entities involved in the distribution of electricity and their respective roles, -

(1) **State Load Dispatch Center (SLDC):** It is the apex body to ensure integrated operation of the power system in the State. Its functions as assigned to it under the Act are-

- a. Be responsible for optimum scheduling and despatch of electricity within the State, in accordance with the contracts entered into with the Licensees or the Generating Companies operating in the state;
- b. Monitor grid operations;
- c. Keep accounts of the quantity of electricity transmitted through the State Grid.
- d. Exercise supervision and control over the intra-State transmission system and
- e. Be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State Grid in accordance with the grid standards and Tamil Nadu Electricity Grid Code (TNEGC)

It is vested with the power to levy and collect such fees and charges from the Generating Companies and Licensees engaged in intra state transmission of electricity, which may be specified by the Commission.

In addition to the above, it shall also keep accounts of the consumers / licensees / persons engaged in generation and traders involved in open access transactions.

(2) **State Sub Load Dispatch Center (SSLDC):** It is a body sub ordinate to SLDC to perform, under the supervision, control and direction of the State Load Despatch Center, its functions in any specified area in the State. It shall also collect necessary data relevant to the SLDC, make operational analysis and report to SLDC.

(3) **State Transmission Utility (STU):** Its functions are to-

- (a) undertake transmission of energy through intra-State transmission system (ISTS);
- (b) discharge all functions of planning and coordination of ISTS taking into account the national power plans and guide lines issued by Central Electricity Authority (CEA), in co ordination with all the concerned organizations;
- (c) ensure development of an efficient coordinated economical system of intra state transmission lines for smooth flow of electricity from Generating sources to Load Centers;
- (d) provide non-discriminatory open access to its Transmission systems for use by (i) any Licensee or generating company on payment of the transmission charges; or (ii) any consumer as and when such open access is introduced by the Commission under sub-section 2 of section 42 of the Act on payment of the transmission charges and a surcharge thereon as may be specified by the Commission.
- (e) implement the Code with respect to the Distribution Licensees and oversee for prudent practices and grid discipline;
- (f) facilitate review and recommend amendments to the Code to Commission without prejudice to the provisions in clause 51 of this code
- (g) recommend for issue of distribution licenses;
- (h) supervise, direct and control the works of construction, operation and maintenance of any ISTS and ;
- (i) take measures for resolution of issues arising due to non-compliance of operational / commercial provisions of the Code by the respective entities.

(4) Distribution Licensees:

The duties of the Distribution Licensee are-

- i. To develop and maintain an efficient coordinated and economical distribution system in his/her area of supply and to supply electricity in accordance with the provisions contained in the Act.

ii. To implement the code with respect to the requirements from the consumers and oversee for prudent practices and code discipline.

iii. To facilitate review and recommend to the Commission amendments to the code without prejudice to the provisions in clause 51 of this code.

iv. To ensure that the consumer installations comply with the requirements of the code at the time of effecting service connection.

v. To take measures for resolution of issues arising due to non-compliance of operational / commercial / technical regulations of the code by the various sections of consumers in their jurisdiction.

vi. To allow the Distribution lines to be used as common carrier as and when the Commission introduce non-discriminatory open access to any of the consumer in his/her area to get supply from other Licensees / Generating Companies outside his/her area.

(5) Tamil Nadu Electricity Regulatory Commission (TNERC):

The functions of Commission as set out in the Act and rules made there under and in particular, to,-

(i) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk, and retail as the case may be within the State;

(ii) introduce non-discriminatory open access as per the provisions contained in the Act and in phases. Where open access has been provided to a category of consumer, the Commission shall determine the wheeling charges and surcharge thereon;

(iii) ¹[regulate electricity purchase and procurement process of distribution licensees including the price at which the electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;]

(iv) facilitate intra state transmission and wheeling of electricity;

(v) specify and enforce standards with respect to quality, continuity and reliability of service by Licensees.

Chapter 3 : Distribution System Planning

4. Distribution System Planning

(1) The main Objectives for the distribution system planning are to ,-

a. plan, design and develop the distribution system so that it may be operated in an economical, safe and reliable manner conforming to the relevant Act and rules there under,

b. specify technical conditions, which enable the licensee and consumers to meet set standards for efficient operation of the electrical interface between them

c. ²[define the procedure for the exchange of data on system planning between the Licensee and consumers of the distribution system.]

d. provide sufficient information for a consumer to access opportunities for connection.

e. establish methods through which the Licensee shall coordinate with the STU, which includes furnishing of data required by the Commission/ or the Authority.

¹ Substituted as per Commission's Notification No. **TNERC/DC/8-8 dated 8.2.2008** (w.e.f. **27.2.2008**) which before substitution stood as under:

“iii) regulate electricity purchase and procurement process of distribution licensees including the price at which the electricity shall be procured from the generating companies or licensees or from other sources through agreements for power purchase;”

²Substituted as per Commission's Notification No. **TNERC/DC/8-8 dated 8.2.2008** (w.e.f. **27.2.2008**) which before substitution stood as under:

c. “define the procedure for the exchange of system planning data between the Licensee and consumers of the distribution system.”

(2) These guidelines of planning cover the individual sub-stations, system planning, analysis and the techno economical aspects in the field of Distribution systems. It applies to all the consumers already connected or awaiting or seeking connection to the distribution system, Distribution Licensees and State Transmission Utility (STU), wherever it is applicable.

5. Distribution Planning Framework

(1) The main areas, which require a careful network planning, and analysis:

(a) Networking extension planning – newly built networks or extension of already existing network or configuration of the existing network to meet the changed load or feeder situation or operational existence.

(b) Network component design

(c) ¹[Providing solutions for operational problems like low voltage, inadequate short circuit withstand capability, power swings and protection selectivity errors.]

(2) Networks are generally extended over several stages. The operational conditions are then simulated for this future load forecast. This step will facilitate the fulfilling of all the operational conditions after Commissioning of the new extension stage. A careful network analysis provides the decision aids for selecting the most reliable and cost effective solution from among several configurations. To dimension the individual components like transformer, cables and switchgear and to provide an optimal solution for the total system, an extensive analysis of the network is often necessary.

The system-planning wing,

(a) examines the operational behavior of electrical systems both in normal operation and under fault condition

(b) proposes remedial measures, if the operational conditions do not conform to the requirements for quality supply.

(c) promotes the development of components by examining operational conditions and equipment requirements,

(d) advises in system configuration, system structuring and component design questions and,

(e) plans the extension of already existing systems as well as the new construction of supply systems within the framework of the total system.

(3) Intensive sessions are required to be held to clarify the task situation and it may be processed in direct contact with the ²[direct customer as defined in clause (e) of regulation 2 of the Tamil Nadu Electricity Regulatory Commission – Intra State Open Access Regulations 2005].

Distribution network are cost intensive and hence they require long term planning. The location and nature of the connected loads on the quality and reliability of the power requirement determine the structure of the distribution network.

(4) The system planning is also necessary in the cases that include

(a) Network modernization and upgrading.

(b) Changes in operational and protection philosophy or neutral grounding.

The tasks, problems and activities related to Network Expansion planning, component design and operational problems are brought out as follows.

¹Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. **27-2-2008**) which before substitution stood as under:

(c) Providing solutions for operational problems like low voltage and short circuit withstand capability, power swings and protection selectivity errors.

²Substituted for the expression "customer also" as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. **27-2-2008**)

S.No	Description	Tasks and Problems	Activities
1	Expansion planning	Load increase New transformer, substations Integratiperipheral_ Networks Cable relaying Modernization of substations Network coupling Power station extension ¹ [upgrading the voltage level]	Network documentation Graphic Information System Network calculations for load flow and short-circuit. Dynamic network Calculations.
2	Component design	Circuit-breaker stress Cable cross section Transformer size Neutral earthing resistor	Stability Fault analysis Relay coordination studies
3	Operational problems	Substation faults Voltage quality Harmonics Earthing problems Motor starting Power swings Frequency of occurrence of faults Fault tripping Overloads Over voltages	Harmonics analysis Harmonics filter design Earthing measurement Network configuration Substation design Economic analysis Relay selection ² [provision of effective earthing] Insulation coordination

(5) Stages involved in network expansion planning

(a) ³[Defining the task]

(b) ⁴[Commencing] the planning task which consists of:

- (i) Recording of the status of the existing distribution network and analysis of its operational situation
- (ii) Load forecast and analysis – Compilation of data on the characteristic features of the loads that will be incident in the near future and that of the existing loads;
- (iii) Estimation of load development
- (iv) Examination of the alternative options
- (v) Checking the issues involved in the above options and also the feasibility of introducing a new transformer, enhancement of existing transformer capacity etc.
- (vi) Establishment of site location and new substation design.
- (vii) Modification / Redesign of sub-transmission and distribution networks and its protective arrangement including protective relay setting and coordination.
- (viii) Study on alternatives for least cost investment.
- (ix) Assessment of operational advantages and disadvantages and anticipated supply reliability levels of various options
- (x) Investment planning
- (xi) Procurement of the required network components

¹Substituted for the expression “High Voltage level” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²Substituted for the expression “Handling of Neutral point” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

³Substituted for the clause “Define the task” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

⁴Substituted for the expression “Commence” as per Commission’s Notification No. **TNERC /DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

6. Planning process:

The system planning considerations are -,

(1) Load Forecast

It commences with a forecast of the anticipated load requirements (both demand and energy). The Licensee shall forecast the demand for power within the area of supply, annually or more frequently, if required by the Commission, in each of the succeeding five years. The Licensee shall prepare a demand forecast and generally follow the procedures set out herein. The licensee shall create a database of loads for each consumer category and for each distribution substation and update it annually.

(2) Load Research:

The Licensee shall develop a load research program with the objective of obtaining customer load profile data that provides the usage characteristics of specific appliances, consumers and group of consumers. This load research will also facilitate,

- (a) Demand status according to end use at the hour of system peak, daily, monthly, seasonally or annually
- (b) Hourly end use demand for the day of the system peak, monthly, seasonally or annually
- (c) Hourly end use demand for the average day of the system peak, monthly, seasonal or annually.
- (d) Category wise diverse or coincidence factors and load factors
- (e) Total energy consumption for each category of consumer by month, season or year.
- (f) Category wise non-coincident peak demands.

(3) Load Data:

From the metering data collected at each connection point with the transmission system, the Licensee shall develop load curves for the area fed and also the system load curve for the area of supply in point by applying a suitable diversity factor. By reconciling the figure for actual energy sales with the drawal based on the metering data ¹[compiled], approximate losses in the system may be arrived at for any period. This data shall be furnished to the STU and the Commission annually. All the consumers with a demand of 1 MW and above seeking connection shall furnish their load data to the Licensee, as detailed in Annexure I. The Licensee shall exercise special care in monitoring the actual development of loads in respect of consumers who desire to contract for loads of 1 MW and above at any single point. On demand by the consumer seeking connection, the Licensee shall furnish relevant system data as detailed in Annexure – II. The Licensee shall update the system data at least once in every six months.

(4) Forecast Methodology:

The Licensee shall formulate the long-term demand forecast taking into account the previous financial year ending March 31st as the Base Year and projecting the demand over the succeeding five years.

(a) Energy Sales per tariff class shall be projected in the forecast period over the corresponding figures relating to the Base Year by adopting a suitable methodology, such as considering the trend for the previous five years.

(b) The projections shall take into account assumed normal growth for non-specific loads, specific and identified loads of 1 MW and above and also the effects if any, of Demand side management and Loss reduction measures.

(c) The Licensee shall compare the aggregate energy requirement at each of the connection points with the transmission system after accounting for system losses. The future peak load in each of the years in the forecast period may be derived using an Annual Load Factor.

(d) The Licensee shall take into consideration any authenticated report on demand forecast or Power survey carried out by agencies like Advisory Board on Energy, Planning Commission, Central Electricity Authority, STU, Commission, CERC and Government of Tamil Nadu.

The Licensee shall forward the long term demand forecast for the area of supply on an annual basis to the STU and the Commission, along with the details as indicated below.

- (i) Data.
- (ii) Methodology
- (iii) Assumptions

The Licensee under the conditions of the licence shall co-operate with the STU in the preparation of demand forecasts for the State of Tamil Nadu. The format for the demand and energy forecasts shall be specified by the STU.

¹Substituted for the expression “**complied**” as per Commission’s Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

(5) Planning Criteria and performance bases :

The planning criteria for the distribution system as specified ¹[by the Commission] shall form the basis. The performance bases to be considered in the system planning are as follows:

(a) The Distribution performances established herein shall be implemented in a manner so as to ensure that no entities are forced to achieve goals beyond the capability and limitations of the current system in the immediate future while continuing to strive for the higher standards by improving their system in the long term. As for the existing arrangements, the implementation can be in stages and shall be determined by the Commission.

(b) The capacity of step down transformers used in the distribution system and the layout of bus bars, switchgear, transformers, capacitors, earthing system, surge arrestors, control panels, station battery, fire extinguishers and other accessories required for the protection and safe operation of the substations shall as far as possible be standardized by the Licensees and shall conform to the guidelines and principles contained in the Code. The Commission, in specific cases and to ensure uniform adoption, can however specify the standards to be adopted.

(c) While planning the distribution system, the Licensee shall examine the cost effectiveness of loss reduction measures without compromising the security standards. The Licensee shall take measures to reduce the length of low tension bare conductor, overhead lines, wherever cost effective and these shall include but not limited to the following:

- (i) Achievement of HT: LT ratio to the level of 1 to 1.5
- (ii) Laying of underground cables
- (iii) Increasing the number of low loss distribution transformers.

(d) Substation Design Criteria: HV substations, Sub transmission, primary and secondary distribution shall be designed taking into account the following factors:

- (i) Safety of Operating Personnel
- (ii) Adequate cross section of Busbar to meet the electrical and mechanical requirements.
- (iii) Mechanical and electrical interlocks to prevent inadvertent operation of equipments including switches .
²[iii - a) Adequate Protection System with proper insulation co-ordination]
- (iv) Adequate Flexibility in operation and maintenance.
- (v) Operation and Maintenance needs.
- (vi) Space for future expansion

Substation layouts shall comply with the safety measures specified by the Authority under section 53 ³[of the Act.]

(e) Distribution Line Clearances: Overhead lines shall comply with the safety measures specified by the Authority under section 53 ²[of the Act].

(f) Earthing : ⁴[The distribution system shall be effectively earthed in accordance with the Indian Standards in force, substation earth mat shall be designed to have a low overall impedance / resistance and to have a minimum transient ground potential rise (TGPR) during fault, giving rise to only permissible safe touch and step potential]. All individual earth electrodes, earthing pits and interconnection arrangements shall be correctly installed and maintained. The bodies, cases, trucks and enclosures of all equipment shall be properly earthed in accordance with the system requirements and equipment ratings. Metallic line supports of overhead lines, cable sheaths and shields shall also be earthed in a proper manner. Connections may be compressed using crimping tool, welded, braced, or bolted using suitable lock washers/ locknuts. Bolts should not be used for buried connections.

¹substituted for the expression “**by Commission**” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²Inserted as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

³Substituted for the expression “**of Act**” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

⁴Substituted as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

The distribution system shall be properly earthed in accordance with the Indian Standards in force, substation earth mats shall be designed to provide the required earth resistance and limit the ground potential rise limited by Touch and Step potential criteria as per standards

Chapter 4 : Connectivity Conditions

7. Connectivity Conditions: The Connectivity Conditions specify the minimum technical and design criteria, which shall be complied by any agency connected to, or seeking connection to the Distribution System. The Licensee shall ensure compliance of the above criteria by any agency as a pre-requisite for the establishment of an agreed connection. The terms and conditions of supply under Chapter 6 of this code shall be read in conjunction with this chapter. The connectivity conditions shall fulfill the requirement stipulated in section 50 and 53 of the Act. The Connectivity Conditions are provided to ensure that:

(a) The basic rules for connections are complied by all agencies. This will help to treat all agencies in a non-discriminatory manner.

(b) Any new or modified connection, when established, shall not suffer unacceptable effects due to its connection to the Distribution System nor produce unacceptable effects on the system or any other connected agency.

(c) The ownership and responsibility for all the equipments, shall be clearly specified in a schedule (site responsibility schedule) for every site, where a connection is made.

8. Distribution System Interface with Small Generators—The electricity generated by the private developers pertaining to power projects based on ¹[renewable] energy sources of wind, biomass etc or captive power plants shall be evacuated by interfacing with the distribution system or intra state grid. The voltage levels, connection points and connectivity conditions, safety etc., for such interfacing shall comply with the conditions laid down under Tamil Nadu Electricity Grid Code (TNEGC) and the regulations issued by the Authority in this regard.

9. Distribution Systems protection arrangement:

(1) Protection of the distribution system and the consumer's system shall be well coordinated. Individual protection schemes shall have adequate selectivity, sensitivity and reliability and speed of operation to disconnect the faulty equipment/circuit from the healthy system. No item of electrical equipment shall be allowed to remain connected to the distribution system unless it is covered by appropriate protection scheme.

(2) In the distribution system protection for lines / U.G cables, transformers and other equipments shall be followed by the Licensee, and by the consumers of the distribution system as well in accordance with the provisions made in TNEGC. The distribution system relay setting shall be coordinated with that of STU and it shall be endorsed by STU and SLDC.

(3) Every consumer within the area of supply of the Licensee who are availing / desire to avail of supply at 66KV, 110 KV, 230 KV level shall furnish the details of their equipment protection schemes to the Licensee and get approved before the connection is effected. On demand, the Licensee shall provide similar protection data relating to their distribution systems to any consumer seeking the above connection.

(4) The Licensee and the EHT consumers of the distribution system shall attend the protection co-ordination meetings as and when called upon to do so by the STU / SLDC to discuss all related issues and take remedial measures as discussed and agreed to in such meetings.

10. Operational Labeling:—The Licensee and the consumers shall be responsible for the provision and maintenance of clear, unambiguous signs and labels indicating the numbering and / or name of the equipment / apparatus and circuit at the substations and connection sites.

11. Metering:—²[The minimum requirement of metering for substations in distribution system, Generating station and higher voltage consumer shall conform to the requirement stipulated in Tamil Nadu Electricity Grid Code (TNEGC)].

12. Communication: Reliable communication links shall be established for the exchange of data, information and operating instructions between the Licensees, consumers with demand of 1 MW and above, the load control centers of the Distribution Licensee and the SLDC / SSLDC, as the case may be.

13. The Licensee shall monitor the voltage, frequency and power factor in the distribution system at different points, during the peak and off peak hours and take all reasonable measures for the improvement of the same, if it falls below the prescribed level continuously.

¹Substituted for the expression "**non-conventional**" as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)

²Substituted as per Commission's Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

The minimum requirement of commercial and operational metering at distribution system substations and higher voltage consumer's sub stations shall conform to the requirement stipulated in Tamil Nadu Electricity Grid Code (TNEGC)

(1) Voltage: The variation in the voltage levels in the distribution system may depend upon the available VAR generation, system loads and configuration of the transmission system and distribution system. Under normal operating conditions the Licensee shall exercise proper voltage monitoring and control in the distribution system beyond the point of interconnection so as to maintain voltage at all levels in accordance with the Standards of Performance specified by the Commission. The means adopted shall include.

- (a) Use of transformers equipped with tap changers (on load /Off Load).
- (b) Balancing of loads between phases of the LT network.
- (c) Limiting KVA- km loading of the circuits
- (d) Reduction of overloaded transformers by planning and installing additional distribution transformers.
- (e) By installing the required regulating transformers (Boosters) and synchronous Condensers at appropriate locations.
- (f) Installation of shunt capacitors / Capacitor banks at optimum locations depending upon the requirement of VAR compensation in the network
- (g) ¹[Provision of switched/fixed capacitor, as the case may be, on the (secondary) LV side of Distribution Transformers.]

(2) Frequency: The Licensee shall abide by the instructions issued by the SLDC on load frequency control for maintaining the supply frequency within the statutory limits either by resorting to load shedding or by rolling blackouts.

(3) Power Factor: The Licensee shall maintain the system power factor at the level of minimum of 0.9 (Lag) at the interface/s and carry out system improvement measures at strategic points in the distribution system by undertaking useful system studies and installing the required VAR compensation equipment to meet the situation. The Licensee shall also counsel and ²[advise the consumers] on the ways and means to improve the power factor in their respective systems to the required level. It shall be obligatory on the part of the consumers to improve the power factor of their connected loads to the required level in accordance ³[with the provisions] made in this code. Every consumer with a power factor less than the stipulated level may be suitably advised to rectify the situation by installing appropriate power factor correction equipment, without prejudice to the levy of compensation charges as per the orders of the Commission from time to time.

(4) Special Conditions: Special conditions shall be incorporated in the connection agreement for loads with high harmonic content, low power factor and unacceptable supply voltage and frequency fluctuations, so that the consumer shall be forced to install appropriate correction equipments to meet the requirements of this Code.

⁴[14] **Demand Side Management:** The Licensee shall make suitable provisions in the Service Connection Agreements to make it mandatory on the part of selected categories of consumers with a contracted Demand over and above a specified KVA limit (to be specified ⁵[by the Commission]) to carry out an Energy Audit at their establishment for in-plant load management and for carrying out end use energy efficiency / conservation measures. On their part, the Licensee shall provide such consumers with relevant information relating to energy audits and its methodologies and the financial incentives offered by recognized financial institutions, banks and other government organizations.

Chapter 5: Operation Guidelines for Distribution System

15. The procedures and practices to be followed by the Licensees and consumers whose electric lines and electrical plants are connected to the Licensee's distribution system for safe and efficient operation of their respective systems are - ,

(1) Demand Estimation: The Licensee shall provide to the SLDC / SSLDC, its projection of demand on a year ahead, month ahead and day ahead basis. The time frames for such submission, as set out in the TNEGC shall be adhered to by the Licensee. The SLDC or SSLDC shall be the agency to receive the details from the licensees or issue directions to the Licensees as the case may be in line with the requirements prescribed in this chapter on Operational Guidelines and as per the provisions of the relevant Code. On demand, the ⁶[consumers concerned] shall furnish these data to the Licensees. The Licensee shall estimate its hourly and daily demand on the basis of relevant load curves drawn on a day ahead basis, subject to modification depending upon information received from any specific consumer or caused by any untoward incident / contingency.

¹Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

g. Provision of switched capacitor on the (secondary) LV side of Distribution Transformers

²Substituted for the expression "**advise consumers**" as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

³Substituted for the expression "**with provisions**" as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

⁴Substituted for the expression "**13**" ie. renumbered as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

⁵Substituted for the expression "**by Commission**" as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

⁶Substituted for the expression "**concerned consumer**" as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

(2) Scheduled Shutdown Programs: The Licensee shall furnish the proposed (planned) outage (scheduled shutdown) programs to the STU/ SLDC as specified in TNEGC. Planned outage programs shall furnish clearly the details of the electric lines/cables and the equipments of the distribution system that will be taken out of service, and other details of the planned interruption namely the date, duration and quantum of load that may be limited/restricted at any interconnection during this planned interruption.

(3) Contingency Planning: The contingencies in the distribution system are mainly due to:

- a. Total or partial blackout of intra transmission or inter transmission network. (Loss of generating sources)
- b. ¹[Failure of network components like Breakers, Power Transformers, Current Transformers, Potential Transformers and lines in the transmission system.
- c. Breakdown of components like Distribution Transformers, lines, etc. in the distribution system].

The procedure to be followed during such contingencies for the restoration of supply is detailed in the sections to follow

(4) Intra / Inter Transmission System outage: In regard to the restoration of supply during the total black out at any point of interconnection, the Licensee shall abide by the black start procedures framed by the STU / SLDC. Likewise, the Licensee shall follow the guidelines provided by the STU during the outage of the apparatus or lines/cables in the above networks. The licensees may also follow an approved Demand Side Management, Load shedding, rolling blackouts and other measures.

(5) Distribution System Outage: The interruption of the power supply to any part of the distribution system lasting more than an hour, due to the breakdown of any part of the distribution system/its components, may be termed as distribution system failure and the Licensee shall evolve a suitable supply restoration procedure for such distribution system failures under intimation to the Commission.

(6) Demand Management / Load Shedding: On getting directions from the SLDC rolling blackouts for short duration shall be carried out by the Licensees to maintain the load generation balance and security of the network. This may also be necessary due to the loss of any circuit, equipment or any other operational contingency that may occur in their Distribution Networks also. The Licensee shall estimate the loads that may be shed in discrete blocks at each interconnection point after consultation with the consumers if possible and submit the same to the SLDC. The consumers shall co-operate with the Licensee in this regard. The Licensee shall work out the modalities of the load shedding. A detailed procedure shall also be furnished to the SLDC and other officials in charge of the downstream substations of the Licensee, where such load shedding / rolling blackout are to be carried out. When provisions are available for the automatic load shedding with the aid of under frequency relays, the circuits involved and the quantum of load to be shed shall be intimated to the SLDC and ²[officials] in charge of downstream substations of the Licensee. The settings adopted for the UF relays shall also be furnished. If any constraint or bottleneck in the transmission system and/or distribution system, warrants rotational load shedding then it shall be resorted to by the Licensees in their distribution system. On such occasions, the public shall be promptly informed of such arrangements through the media. ³[Consumers] with ⁴[contracted demand] of 1 MW and above and essential services such as hospital, public water works etc. shall be notified through telephone/ fax/ e-mail or any other communication systems.

16. Safety Aspects: —

(1) Provisions with respect to safety and electricity supply is dealt in detail under section 53 of the Electricity Act, which reads as:

“ (1) The Authority may in consultation with the State Government, specify suitable measures for –

- (a) Protecting the public (including the persons engaged in the generation, transmission or distribution or trading) from dangers arising from the generation, transmission or distribution or trading of electricity, or use of electricity supplied or installation, maintenance or use of any electric line or electrical plant;
- (b) Eliminating or reducing the risks of personal injury to any person, or damage to property of any person or interference with use of such property;
- (c) Prohibiting the supply or transmission of electricity except by means of a system which conforms to the specification as may be specified;
- (d) Giving notice in the specified form to the Appropriate Commission and the Electrical Inspector, of accidents and failures of supplies or transmissions of electricity;
- (e) Keeping by a generating company or licensee the maps, plans and sections relating to supply or transmission of electricity;

¹Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

b. Failure of network components like breakers, lines and UG cables in the transmission system

c. Breakdown of components in the distribution system

²Substituted for the expression “officials persons” as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

³Substituted for the expression “Large consumers” as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

⁴Substituted for the expression “contract demands” as per Commission's Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

(f) Inspection of maps, plans and sections by any person authorized by it or by Electrical Inspector or by any person on payment of specified fee;

(g) Specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing a risk of personal injury or damage to property or interference with its use;”

(2) The measures specified by the Authority, in accordance with the above provision shall form the basis for safety. Primary focus should be laid on safety in all the works related to the location, erection, installation, operation and maintenance of the equipments, devices and other network components at the consumer’s mains/premises. Safety of the end users, operating personnel and public shall be given focused attention. Adequate training will be imparted to the operating personnel with the adoption of relevant operating techniques and safety procedures / precautions necessary for satisfactory operation of the system and its equipments which include cross boundary connections and interface points as applicable.

(3) Safety co-ordination: The salient aspects involved in safety co-ordination are:

(a) The Licensee and the consumers of the distribution system shall observe safety rules, practices and precautions when work is to be carried out on any apparatus or circuits in any part of the distribution system or in any part of the consumer system.

(b) The objective of this safety co-ordination is to enforce the principles of safety as prescribed in the measures specified under section 53 of the Act and practices for their implementation.

(c) ¹[There shall be proper co-ordination between operating personnel of the Licensee and the consumers, between two distribution licensees across common control boundaries, for carrying out work on any apparatus, switchgear, or circuits belonging to each party at the point of interconnection or interface].

(d) The Licensee shall follow the provisions of the TNEGC for cross boundary operations in co-ordination with the STU

(e) The Licensee, all consumers and any other distribution Licensee having common electrical interface with the Licensee shall designate suitable persons to be responsible for safety co-ordination. These persons shall be referred to as control persons. The list of control persons, their designation and telephone numbers shall be exchanged between all ²[persons concerned]. Any change in the list shall be notified promptly to all concerned.

(f) The disconnecting device / or devices shall be provided at each electrical interface, which shall be capable of effectively disconnecting the system of the Licensee and other consumers and grounding the respective system at the common boundary. These devices shall be identified and marked by the Licensee and respective consumer and shall be maintained in good condition at all times. Such disconnecting devices shall be provided with interlocks to prevent inadvertent switching operations by unauthorized persons.

(g) Permission in writing shall be issued by the appropriate control person at the electrical interface to his/her counterpart responsible for carrying out work on any apparatus, switchgear or circuits beyond the electrical interface. Such permissions shall be termed as Line Clear Permits (LCP). The format of the LCP shall be standardized by the Licensee and shall be used by all concerned. Detailed rules framed by the Licensee pertaining to such works and Line Clear Permits (LCPs) shall be circulated to its personnel as part of its internal administration.

(h) A list containing the names and other details of the Officers/staff who are authorized to issue / get LCPs on the apparatus, lines and cables may be ³[displayed] at an apt location in the substation.

(i) The Licensee shall formulate a checklist of operations to be carried out before the issue and return of LCPs and procedures for safety co-ordination for each electrical interface. Such procedures and checklist shall be issued to all concerned, by the Licensee, for implementation.

(j) The Licensee shall prepare a safety manual incorporating all operating procedures in addition to safety rules and safety precautions applicable to its distribution system and the Consumer’s system and circulate the same among ⁴[all staff concerned] and Consumers for strict adherence.

¹Substituted as per Commission’s Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

There shall be proper co-ordination between operating personal of the Licensee and the consumers, between two distribution licensees across common control boundaries, for carrying out work on any apparatus, switchgear, or circuits belonging to each party at the point of interconnection or interface point.

²Substituted for the expression “concerned persons” as per Commission’s Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

³Substituted for the expression “hung” as per Commission’s Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

⁴Substituted for the expression “all concerned staff” as per Commission’s Notification No. **TNERC/DC/8-8, dated, 8-2-2008 (w.e.f. 27-2-2008)**

(k) The Licensee shall devise and maintain uniform operating procedure for switching, isolation, and restoration, live line working and test charge of defective lines/apparatus duly incorporating the safety aspects.

17. Protective clauses as applicable to Railways, Highways, Airport, telegraphic signaling line etc., are as follows:

(1) Protection of Railways, Highways, Airport, etc. as set out in section 159 of the Act reads as:

“No person shall, in the generation, transmission, distribution, supply or use of electricity, in any way injure any railway, highway, airports, tramway, canal or water-way or any dock, wharf or pier vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, airway, tramway, canal or water-way.”

(2) Protection of telegraphic, telephonic and electric signaling lines as set out in section 160 of the Act reads as:

(1) Every person generating, transmitting, distributing, supplying or using electricity (hereinafter in this section referred to as the “operator”) shall take all reasonable precautions in constructing, laying down and placing his/her electric lines, electrical plant and other works and in working his/her system, so as not injuriously to affect, whether by induction or otherwise, the working of any wire or line used for the purpose of telegraphic, telephone or electric signaling communication, or the currents in such wire or line.

(2) Where any difference or dispute arises between the operator, and the telegraph authority as to whether the operator has constructed, laid down or placed his/her electric lines, electrical plant or other works, or worked his/her system, in contravention of sub-section (1), or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Central Government and the Central Government, unless it is of opinion that the wire or line has been placed in unreasonable proximity to the electric lines, electrical plant or works of the operator after the construction of such lines, plant or works, may direct the operator to make such alterations in, or additions to, his/her system as may be necessary in order to comply with the provisions of this section, and the operator shall make such alterations or additions accordingly:

Provided that nothing in this sub-section shall apply to the repair, renewal or amendment of any electric line or electrical plant so long as the course of the electric line or electrical plant and the amount and nature of the electricity transmitted thereby are not altered.

(3) Where the operator makes default in complying with the requirements of this section, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration

Explanation.—For the purposes of this section, a telegraph line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signaling communication by means of such line is, whether through induction or otherwise, prejudicially interfered with by an electric line, electrical plant or other work or by any use made thereof.”

18. Accident Reporting: Notice of accidents and inquiries as set out in section 161 of the Act reads as:

(1) If any accident occurs in connection with the generation, transmission, distribution, supply or use of electricity in or in connection with, any part of the electric lines or electrical plant of any person and the accident results or is likely to have resulted in loss of human or animal life or in any injury to a human being or an animal, such person shall give notice of the occurrence and of any such loss or injury actually caused by the accident, in such form and within such time as may be prescribed, to the Electrical Inspector or such other person as aforesaid and to such other authorities as the Appropriate Government may by general or special order, direct.

(2) The Appropriate Government may, if it thinks fit, require any Electrical Inspector, or any other person appointed by it in this behalf, to inquire and report—

(a) As to the cause of any accident affecting the safety of the public, which may have been occasioned by or in connection with, the generation, transmission, distribution, supply or use of electricity, or

(b) As to the manner in, and extent to, which the provisions of this Act or rules and regulations made hereunder or of any licence, so far as those provisions affect the safety of any person, have been complied with.

(3) Every Electrical Inspector or other person holding an inquiry under sub-section (2) shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (5 Of 1908) for the purpose of enforcing the attendance of witnesses and compelling the production of documents and material objects, and every person required by an Electrical Inspector be legally bound to do so within the meaning of section 176 of the Indian Penal Code (45 of 1860).

19. Major Incident Reporting:—

(1) The reporting on major incidents shall conform to the provisions under section 53 and 160 of the Act. Among the incidents that would affect the distribution system are:

(i) Aberrations/deviations in system voltage and frequency level. (Both for HV and LV networks ¹[exceeding the set tolerance levels]).

(ii) Major breakdowns in the distribution system.

(iii) Major deviations of load drawal from any interconnection relative to the day ahead estimation of demand furnished by the Licensee to the STU / SLDC.

(iv) Any other incident which the Licensee or consumer may consider worth reporting with regard to safe and reliable operation of the distribution system.

(v) The Licensee and the consumers shall establish a hierarchy for reporting incidents and a procedure for the exchange of information. The consumers shall promptly furnish information to the Licensee regarding any major incident occurring in their system to the Licensee.

(vi) The adverse impact of Harmonics in the system.

(vii) The adverse impact of the operation of shunt capacitor banks on other equipments/devices in the network and at the consumer's premises as well.

Explanation: The basic characteristics of the incident, which constitute a major break down, shall be determined by the concerned Licensee /Consumer and reported.

(2) Prescribed time frame for the reporting by the Licensees in respect of major incidents.

- | | |
|--|----------------------|
| (a) Deviations in the system voltage or frequency
Exceeding the set tolerance levels | — monthly |
| (b) Major deviation in load drawals | — monthly |
| (c) Major breakdowns of lines/cables/equipments
(Including any loss of capacity of 5 MVA and above) | |
| * Preliminary report followed by a detailed report
Indicating status, nature of break down, total
break down period, restoration period, and estimate
of losses/ repairs, loss to persons /property,
number of consumers affected etc. | — Within 24
Hours |
| (d) Any other incident referred to in the Code | — Monthly |

20. Condition based monitoring / Preventive Maintenance programmes shall be designed as follows:

(i) ²[The Licensee shall prepare pre-monsoon inspection and other preventive maintenance schedules for lines and equipment and ensure its compliance at all levels. Necessary advance intimation shall be given to the consumers likely to be affected].

(ii) The level of maintenance shall be appropriate to meet the manufacturers maintenance recommendations and the performance standards of the Licensee.

(iii) All the bottom line, all the HV lines in the control area of the Licensee shall be inspected twice annually.

(iv) Periodical testing and maintenance of transformers, switchgear and protective equipments and earthing in the distribution system shall be carried out by the Licensee in line with the manufacturers recommendations / standard practices for ensuring their smooth operation, serviceability, safety, reliability and efficiency.

(v) The Consumers also shall maintain their apparatus, switchgear, electric lines, metering equipment and cables including their generator sets in good operating condition and conforming to the measures specified under section 53 of the Act and keep them suitable for connecting to the distribution system in a safe and reliable manner. ³[Consumers shall ensure proper interlock facility provided for their generator sets to prevent parallel operation with the Distribution System of the Licensee provided such generators are not interfaced with the Licensee's network for supply of power].

¹Inserted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

The Licensee shall prepare pre monsoon inspection and other preventive maintenance schedules for lines and equipment and ensure its compliance at all levels. Necessary intimation shall be given to the affected consumers.

³Inserted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

(vi) Licensee shall set up a Consumer Trouble Call Management Center and lay down suitable procedures.

(vii) The Licensee shall have provisions for sealing the meter, checking the quality of new meters, periodical calibration of customer meters, repair of defective meters and other related works.

21. Tools, plants and Spares: The Licensee shall ensure availability of proper tools and plants and keep the work places in good condition for carrying out the required repairs/maintenance. Serviceability of tools and plants must be checked periodically and certified for their healthiness. The Licensee shall maintain an inventory of replacement spares required for maintenance purposes at suitable locations. A clear policy may be laid down by the Licensee in this regard and submitted to the Commission for reference.

22. Training: The Licensee shall set up Training centers (or in coordination with the established Training centers) to impart proper and adequate training to its workmen and supervising staff in modern distribution practice, maintenance techniques and safety procedures. A syllabus suitable for the intended purpose shall be followed by them. The syllabus shall be submitted to the Commission for its perusal and approval.

23. Research and Development : The STU shall, in consultation and approval of the Commission, carry out R&D to analyze and solve common operational and other problems related to distribution. Also they will be responsible for carrying out improvement and updation studies. The study results shall be properly communicated to all the distribution licensees for adoption. The expenditure towards the R&D work shall be met from a common fund for which the Commission shall prescribe the rate of contribution from each Licensee

Chapter 6 : Terms and Conditions for supply of Electricity

24 Terms and conditions for supply of Electricity: The terms and conditions for supply of electricity is meant to govern the supply of electricity and procedures thereof, including the powers, functions and obligations of the Licensee and the rights and obligations of the consumers and matters connected therewith and incidental thereto. The terms and conditions are not exhaustive as to the requirements to be complied with by Users connected or seeking connection to the Licensee's distribution system.

25. System of Supply: The Licensee's declared voltage of supply will be generally as follows :

(a) Low Tension Supply

- i. Single phase 240 volts, 50 Hz A.C between phase and neutral.
- ii. Three-phase 415 volts 50 Hz A.C between phases.

(b) High Tension Supply

Three-phase 50 Hz A.C, 11,000 volts, or 22,000 volts and 33,000 volts between phases whichever is available.

(c) Extra High Tension Supply

Alternating current - 50 Hertz Three- phase 66,000 volts, 110,000 volts and 230,000 volts between phases whichever is available.

For larger loads, the Licensee reserves the right to supply at higher voltages according to the convenience of the Licensee.

26. Categories of Supply: Supply of electricity shall be made available to the consumer under the following categories:

(a) Single-phase 2 wire 240 volts between phase and neutral for supply to a total connected load not exceeding 4000 watts (including power loads).

(b) Three-phase 4 wire 415 volts between phases and 240 volts between a phase and neutral for supply to a total connected load exceeding 4000 watts but not exceeding a demand of 112 KW. The consumer may elect to avail supply under any one of the above categories where the connected load does not exceed 4000 watts.

(c) Three-phase 3 wire, 11,000 volts and above between phases for power installation exceeding a demand of 112 KW, the minimum demand however being 63 KVA

(d) The consumer shall avail supply at 33 kV and above when the demand is 5 MVA and above.

27. Requisitions for Supply of Energy:

(1) The provision regarding the duty of Licensee as detailed in section 43 ¹[of the Act] to supply electricity on request is reproduced below:

“(1) ²[Save as otherwise provided in this Act.] every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply :

Provided that where such supply requires extension of distribution mains, or Commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or Commissioning or within such period as may be specified by the Appropriate Commission.

Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.

³[Provided that the licensee will refuse to supply electricity to an intending consumer who had defaulted payment of dues to the licensee in respect of any other service connection in his name]

⁴[Explanation:- For the purposes of this sub-section, “application” means the application complete in all respects in the appropriate form, as required by the distribution licensee, along with documents showing payment of necessary charges and other compliances.”]

(2) It shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1) :

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of electricity for any premises having a separate supply unless he has agreed with the licensee to pay to him such price as determined by the Appropriate Commission.

(3) If a distribution licensee fails to supply the electricity within the period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default.”

(2) Supply to Agricultural category: Application for supply to agriculture category shall be in Form 2 of Annexure III. In respect of the agricultural category, this provision shall be governed by the directives issued by the Commission from time to time, on the basis of the guidance on this matter by the National Electricity Policy (as stipulated in sub section 4 under section 86 of the Act) and the policy directions in public interest given by the State Government under sub section (1) of section 108 of the Act.

(3) The application for HT supply shall be in Form 4. Application for LT supply (except Agricultural category) including Hut service shall be in Form 1 & 3 of Annexure III.

Note : Requisitions for supply of energy (Applications) , even if incomplete, and irrespective of whether they are handed over in person or by post, should be acknowledged in writing. If they are in order, they shall be registered immediately and acknowledged. If they are incomplete, the defects should be indicated and returned without registration.

(4). An intending consumer who is not the owner of the premises ⁵[***]shall produce a consent letter in Form 5 of Annexure III to this code from the owner of the premises for availing the supply. If the owner is not available or ⁶[***] refuses to give consent letter, the intending consumer shall produce proof of his/her being in lawful occupation of the premises and also execute an indemnity bond in Form 6 of the Annexure III to this code indemnifying the licensee against any loss on account of disputes arising out off effecting service connection to the occupant and acceptance to pay security deposit twice the normal rate.

(5) ⁷[***]

¹Inserted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²Inserted as per Commission's Notification No. **TNERC/DC/8-9, dated 22-5-2008 (w.e.f. 11-6-2008)**

³Inserted as per Commission's Notification No. **TNERC/DC/8-1, dated 22-11-2005 (w.e.f. 7-12-2005)**

⁴Inserted as per Commission's Notification No. **TNERC/DC/8-9, dated 22-5-2008 (w.e.f. 11-6-2008)**

⁵The words “**he occupies**” omitted as per Commission's Notification No. **TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008)**

⁶The word “**he**” omitted as per Commission's Notification No. **TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008)**

⁷Omitted as per Commission's Notification No. **TNERC / DC / 8-6, dated 10-9-2007 (w.e.f. 3-10-2007)** which before omission stood as under:

The application for H.T / L.T. industries under ‘Red Category’ or highly polluting as notified by the Government/ Tamil Nadu Pollution Control Board from time to time shall be received only on production of letter of “consent to establish” issued by Tamil Nadu Pollution Control Board along with the application by the prospective consumer.

(6) Where the intending consumer's premises has no frontage on a street and the supply line from the Licensee's mains has to go upon, over or under the adjoining premises of any other person (whether or not the adjoining premises is owned jointly by the intending consumer and such other person), the intending consumer shall arrange at his/her own expense for any necessary way leave, licence or sanction before the supply is effected. Even when the frontage is available, but objections are raised for laying lines / cables/ poles through a route proposed by the Licensee involving minimum cost and in accordance with the technical norms, to extend supply to the intending consumer, the intending consumer shall arrange at his/her own expense necessary way leave , licence or sanction before the supply is effected. .Any extra expense to be incurred by the Licensee in placing the supply line in accordance with the terms of the way leave, licence or sanction shall be borne by the intending consumer. In the event of way-leave, licence or sanction being cancelled or withdrawn, the intending consumer shall at his/her own cost arrange for any diversion of the service line or the provision of any new service line thus rendered necessary.

(7) It shall not be incumbent on the Licensee to ascertain the validity or adequacy of way-leave, licence or permission obtained by the intending consumer. The consumer is liable for damages, if any, claimed by the person giving way-leave, licence or permission.

(8) ¹[***]

(9) In case of LT three phase supply, the Licensee shall ensure the following:

(i) For all LT three phase services other than domestic and agricultural category, when the contracted demand exceeds 18.6 KW (25 HP), the meter in the service shall have the KW demand recording facility.

(ii) For all LT three phase services other than domestic and agricultural category, when the contracted demand does not exceed 18.6 KW (25 HP) and KW recording facility is not available in the meter, the consumer shall not be permitted to have excess connected load over and above the contracted demand. The consumer shall however be permitted to opt for meters with KW demand recording facility, allowed to have connected load in excess of contracted demand and covered under the provisions of the excess demand charges as stipulated in the Supply Code.

(10) Notwithstanding anything contained in this clause, the Licensee will refuse to supply electricity to an intending consumer for any industry, including welding purpose in any predominantly residential area , if in the opinion of the Engineer, such supply will cause voltage fluctuations in the supply to the area and consequent inconvenience in that area. The decision of the Engineer as to whether there will be voltage fluctuations in the said area shall be final and binding on the intending consumer. "Residential" area means area recognized as such by Municipal Corporations, Municipalities, Townships, Panchayats or such other local authorities constituted under any law for the time being in force. If however, the area under consideration is declared as a residential cum industrial area by the competent bodies, the above provision shall not apply.

(11)The requirement to be notified by the Authority through regulations shall be complied with for availing the service connection.

(12) ²[Supply shall be given in poromboke land on production of—

(i) No Objection certificate obtained from the Officer (not below the rank of Deputy Tahsildar) or

(ii) Where such No Objection Certificate could not be produced by the applicant

for service connection the following undertaking shall be furnished:-

(1) "I am aware that I am liable to be evicted and for supply disconnection at any time if the lands are required by the Government and / or any dispute arises at a later date and that electricity supply given in this regard will not confer any claim on ownership of the land.

(2) I am aware that the above undertaking shall not confer permanent and full right to the ownership of the land.]

¹ Omitted as per Commission's Notification No. TNERC / DC / 8-6, dated 10-9-2007 (w.e.f. 3-10-2007) which before omission stood as under:

Applicants requiring service connections to buildings comprising several flats, apartments etc., (irrespective of purpose i.e., domestic, commercial etc.,) should ensure that all the conditions stated above and also the conditions stipulated by Local body CMDA etc., in respect of supply of electricity to such buildings are strictly complied with. Failure in this regard may entail denial of service connection until all the conditions are fulfilled.

² Substituted as per Commission's Notification No. TNERC/DC/8-3, dated, 31-05-2006 (w.e.f. 21-6-2006) which before omission stood as under:

Supply shall be given in poromboke land on production of necessary documents as per the directive from the Government from time to time.

(13) Within a door number or sub door number, an establishment or person will not be given more than one service connection.

(14) Where more than one person or more than one establishment is in occupation of a door number or sub door number, more than one service connection will be given only if there is a permanent physical segregation of areas for which different service connections are applied for.

(15) In case of flat system and shopping complexes where more than one flat or shops are located ¹[with permanent physical segregation], more than one service shall be given.

(16) In case of non compliance by the Licensee, of the provisions as above, the intending consumer can approach the Consumer Grievance Redressal Forum ²[established under section 42(5) of the Electricity Act 2003].

³[Explanation:- For the removal of doubts, the expression "other compliances" occurring in the Explanation to section 43(1) of the Act as reproduced in sub-regulation (1) above, shall include the following, namely:—

(a) the compliance by the intending consumer of other laws of the State of Tamil Nadu relating to the obtaining of permit or approval or sanction or consent from the appropriate authorities as mentioned in such laws in regard to construction, alteration or repairs to buildings or establishment of new industries or factories or other establishments for which supply of electricity is required by such intending consumer;

(b) the compliance by the intending consumer of the provisions contained in sub regulations (4), (11) and (12) above;

(c) the compliance by the intending consumer of any decree or order or judgment of any civil court in regard to the supply of electricity or other requirements mentioned in such decree or order or judgment.]

28. Additional terms of supply as stipulated in section 48 of the Act reads as :

"A distribution licensee may require any person who requires a supply of electricity in pursuance of section 43 to accept -

(a) any restrictions, which may be imposed for the purpose of enabling the distribution licensee to comply with regulations made under section 53;

(b) any terms restricting any liability of the distribution licensee for economic loss resulting from negligence of the person to whom the electricity is supplied."

29 Service Lines :

(1) More than one service connection in a door number/ sub-door number will be given if the second service connection is for a welding set in the same door number/sub -door number.

(2) In agricultural connections where the consumer requires a separate service connection for utilizing energy for radios and other appliances including domestic lighting in the farm house, more than one service connection in the same Survey Field Number /sub-divided survey field number will be permitted.

(3) The existing High Tension Consumers who want to avail a separate service for their expanded industrial activities within a door No., or sub-door No. (in the same premises) a new service connection shall be given, provided the extension is physically and electrically ⁴[segregated].

(4) Upon receipt of an application for supply of electricity, a notice will be sent to the intending consumer that he or his/her authorized representative to meet the Engineer to agree on the position of the point of supply, cut-out or circuit-breaker and meter. The Licensee will in no case fix its meter, cut-out etc., nor allow the same to remain in any position which will entail entry by its employees into certain restrictive areas which are socially well defined. In case of service connection from OH line, the service mains shall be visible and accessible up to metering point for inspection.

(5)The consumer shall provide free of cost to the Licensee adequate land/space in his/her premises, as may be considered necessary by the Engineer and afford all reasonable facilities for bringing in not only cables or overhead lines from the Licensee's system for servicing the consumer but also cables or overhead lines connecting other consumers. The land/space should be at a location near the entrance to the premises and should be easily accessible to Licensee's officials for inspection.

(6) The Consumer shall permit the Licensee to install all requisite equipments such as Transformers, switchgears, meters etc., and to lay necessary cables or overhead lines and to provide connections thereto on the consumer's premises and shall also permit the Licensee to extend supply to other consumers through the cables, lines and equipments installed in the consumer's premises, provided that supply to the consumer in the opinion of the Engineer is not thereby unduly affected.

¹Inserted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²Inserted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

³Inserted as per Commission's Notification No. **TNERC/DC/8-9, dated 22-5-2008 (w.e.f. 11-6-2008)**

⁴Substituted for the expression "**demarcated**" as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

(7) The Service Line once laid shall not be transferred, interfered with or shifted from one place to another except with the permission of the Engineer.

(8) For housing the switchgears and meter cubicles of the Licensee, the High Tension Consumer shall provide and maintain at his/her own expense locked, weatherproof and fireproof enclosure of agreed design and location. The enclosure should preferably be in a building separate from the Consumer's substation and installation. Where this is not feasible, the equipments of the Licensee shall be completely segregated from the Consumer's equipments by fireproof walls.

(9) The consumer shall permit the Licensee, free of cost, the use of any land belonging to the consumer which may be required for erecting the posts, lines, structures, cables and other equipments necessary for the supply of electricity and shall give access at all time to the Engineer and /or his/her agents, employees, sub-ordinates and workmen with or without tools to inspect and/or work on the posts, lines, structures, cables and other equipments and the consumer shall have no claim whatsoever on account of any damage to his/her property by reason of such erection of or any other work on the posts, transmission lines, structures, cables and other equipments.

(10) In all storied buildings irrespective of the number of floors, service connections (whether through overhead wires or through under-ground cables) will be effected normally at the ground floor. Service connections will also be effected, at the request of the consumer, at the basement floor of the storied building, provided the place where the Licensee's meters, cut-outs etc., are installed has direct and independent access from outside, is well ventilated, has sufficient headroom and the doors provided for the service room have adequate fire resistance property and water proof and free from water logging.

(11) In storied building sufficient space at a suitable place shall be made available free of cost to the Licensee for installing transformers, switchgears etc., in addition to the space requirements stated below:

(12) ¹[For any building / premises requiring LT service connection(s) having either (a) total floor area of 900 square meter and above (excluding the stilt floor / basement floor) or (b) the total demand of all the LT services in the building exceeds 150 kW].

(i) (a) an electrical room with RCC roof having clear floor area 6 metres x 4 metres with a vertical clearance of 2.75 metres with locking facility, exhaust fans and adequate size of cable duct, shall be provided at the ground floor within the consumer premises of storied buildings nearer to the main entrance for installing floor mounted distribution transformer and associated switchgear or

(b) a clear space of ²[10 metre x 4 metre or 5 metre x 5 metre] open to the sky shall be provided within the consumer premises preferably at the main entrance for installing structure mounted distribution transformer and associated switchgears, and

³[(ii) Space as per the following norms shall be allotted for establishment of a sub station / switching station in places of group housing / commercial complex where the total demand exceeds 5 MVA. These areas shall be specifically shown in the plan.

The requirement of land for establishment of sub-stations shall not exceed the limit given below:

Voltage level of the sub-station	Land Requirement in Sq.mts.	
	Normal sub-station	Compact sub-station
33 KV sub-station	1520 (indoor)	
	3160 (outdoor)	225
110 KV sub-station	4000 (outdoor)	1050
230 KV sub-station	16000 (outdoor)	1750

¹Substituted as per Commission's Notification No. **TNERC/DC/8-1 dated 22.11.2005 (w.e.f. 7.12.2005)** which before substitution stood as under:

For storied buildings having a total floor area of 900 square metre and above, and multistoried building i.e. Ground plus three or more floors including stilt floor/ basement floor for Low Tension Service Connection.

²Substituted for the expression "**10mx4m or 5mx5m**" as per Commission's Notification No. **TNERC/DC/8-8 dated 8.2.2008 (w.e.f. 27.2.2008)**

³Substituted as per Commission's Notification No. **TNERC/DC/8-12 dated 24.08.2009 (w.e.f. 16.09.2009))** which before substitution stood as under:

Space as per the norms to be specified by the Commission shall be allotted for establishment of a sub station / switching station in places of group housing / commercial complex where the total demand exceeds 5 MVA. These areas shall be specifically shown in the plan.

Note:

(a) in places situated within 60 Kilo Meters from the periphery of the Metropolitan/Corporation limit, the licensee may establish the compact sub-station;

(b) in places situated within 30 Kilo Meters from the periphery of the Municipality limit, the licensee may establish the compact sub-station;

(c) in places situated within 10 Kilo Meters from the periphery of the Town Panchayat limit, the licensee may establish the compact sub-station;

(d) in other places, the licensee may establish the sub-station of his choice

(e) the land area should have the proper approach road atleast on any one side of the land for easy transporting of power transformer

(f) the dimension of the land area shall be as per the suggestions of the Licensee to the consumer.]

(13) An approach road of not less than 3 meters width shall be provided from the public road to the electrical room/open space earmarked for installation of distribution transformer, associated switchgear, sub station / switching station.

¹[Note 1: The specific requirement to provide space, as per the sub-regulations (12) and (13) of this regulation shall be made known to the consumers/ builders/ owners at the initial stages itself, when they approach with applications for extending temporary or regular supply.

Note 2 : The Chief Executive Officer of the Distribution Licensee (presently the Chairman / TNEB) may approve the relaxation against the requirement stipulated in sub-regulations (12) and (13) of this regulation in exceptional cases provided he is satisfied that:

(a) the supply to such premises can be satisfactorily fed from the existing Distribution Transformer / other sources

(b) the quality of the power supply will not be affected even in future due to growth of the load in the premises / near by area

(c) no compromise has been made on technical requirements by relaxing the above criteria.

(d) non availability of the space / alternate provisions is confirmed by the Licensee after a site inspection]

(14) For High Tension service connections:-

(a) ²[For indoor metering, an electrical room with RCC roof having a clear floor area 5mx6m with a vertical clearance of 3.7 metres between the floor and the ceiling/beam bottom with locking facility, exhaust fan and adequate size of cable duct shall be provided at the ground/basement floor for installing the Licensee's equipments, etc. This room shall be of fireproof and weatherproof]

(b) For outdoor metering, a clear space of ³[10 metre x 4 metre or 5 metre x 5 metre] open to sky shall be provided.

This enclosure shall be at the periphery of the building and shall be cut off from other portions of the premises by fire resistance walls. These areas shall be specifically shown in the plan. Before the plan is sent to the competent authority for approval, it shall be sent to the Engineer and got approved. The point of supply shall be within 30 meters from the main gate easily accessible and visible and satisfactory with regards to security aspects. Failure to comply with the above requirements will result in denial of supply.

¹ Inserted as per Commission's Notification No. **TNERC/DC/8-4, dated 22-06-2006 (w.e.f.16-08-2006)**

² Substituted as per Commission's No **TNERC/DC/8-5, dated 20-07-2006 (w.e.f. 16-8-2006)** which before substitution stood as under:

For indoor metering, an electrical room with RCC roof having a clear floor area 5mx6m with a vertical clearance of 3.7 metres between the floor and the ceiling/beam bottom with locking facility, exhaust fan and adequate size of cable duct shall be exclusively provided in the ground floor for installing the Licensee's equipments etc. This room shall be of fireproof and weatherproof.

³ Substituted for the expression "**10mx4m or 5mx5m**" as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²[*******] Provided that the Chief Executive Officer or any other Officer, not less than in the rank of a Chief Engineer, authorized by the Chief Executive Officer may approve the point of supply at a place beyond 30 meters from the main gate, if he is satisfied that such place is –

- (a) easily accessible and visible to the officials of the licensee;
- (b) is safe and secure; and
- (c) is not susceptible to malpractice. Also there shall be no compromise on technical grounds, while relaxing the distance criteria.]

(15) With medium voltage supply i.e. above 250 volts and up to 650 volts, the Licensee's meter and service cutouts shall be enclosed in a strong vermin proof and water proof box suitably ventilated and provided with suitable locking arrangements at the consumer's cost at the location convenient to licensee for meter reading etc. All wires shall be made inaccessible to unauthorized persons. A 'caution' board shall be fixed thereto.

(16) Having agreed on the position of point of supply, the Engineer will render to the intending consumer an estimate for the cost of laying the service line. Any work of laying the service line will be taken up only after the intending consumer pays the estimated amount in advance in full. The charges payable by the intending consumer for service line shall be as estimated by the Licensee from time to time.

(17) The entire service line will be the property of the Licensee and the Licensee will maintain it at his/her cost.

(18) The Licensee will also have the right to use the service line for supply of electricity to any other person.

30. CONSUMER'S INSTALLATION:

(1) ²[The consumer's installation should invariably comply with the statutory provisions contained under section 53 of the Act relating to wiring and equipment. The responsibility with regard to maintenance or testing of equipments and wiring on consumer's premises shall lie upon the consumer.]

(2) No cutout, link or switch (other than a linked switch arranged to operate simultaneously on the earthed neutral conductor and live conductors) shall be inserted or remain inserted in the earthed neutral conductor of the system.

(3) If any alteration is carried out either in equipment or in wiring, the same shall be intimated to the Licensee for updating the Test Report.

(4) The consumer must in all cases provide quick-break linked switches and a main fuse/ MCB on each live conductor except the earthed neutral. The linked switch must be erected within a metre of the Licensee's meter board or in such other position as may be required/ approved by the Engineer. Where a conductor forming part of the consumer's system is to be connected to the Licensee's earthed neutral conductor, an indication of a permanent nature shall be provided by the consumer at the point where such connection is to be made to enable the conductor to be distinguished from any live conductor. The consumer shall provide a cable loop of at least one metre for each connection to the Licensee's meter board in the same room. In the case of High Tension supplies, suitable circuit breakers must be installed on the low-tension side of the transformer or on each of the individual low-tension feeder.

(5) All electric motor used in all new Low Tension service connections shall be of ISI marked with manufacturers name plate indicating rating and capacity permanently affixed on it.

(6) If at the time of effecting service connections under the Low Tension Domestic, Educational and other special institutions, etc., and General purpose category (presently Commercial and other categories), it is found that the assessed capacity is in excess of the capacity applied for by the consumer, the Engineer will include the assessed capacity in the Test Report and effect supply.

¹ Inserted as per Commission's Notification No. **TNERC/DC/8-2, dated 23-02-2006 (w.e.f.23-02-2006)**)

² Substituted as per Commission's Notification No **TNERC/DC/8-2(1), dated 14-06-2006 (w.e.f. 23-02-2006)** which before substitution stood as under:

Provided that the Chief Executive Officer of the Licensee may approve the point of supply at a place beyond 30 meters from the main gate, if he is satisfied that such place is

- (a) easily accessible and visible to the officials of the licensee**
- (b) is safe and secure and**
- (c) is not susceptible to mal practice.**

Also there shall be no compromise on technical grounds, while relaxing the distance criteria.

³ Substituted as per Commission's Notification No **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under :

The consumer's installation should invariably comply with the statutory provisions of the rules framed under Act relating to wiring and equipment. The responsibility with regard to maintenance or testing of equipments and wiring on consumer's premises shall vest with the consumer. The regulations made by the Regional Tariff Advisory Committee under the Insurance Act 1938 (Central Act IV of 1938) applicable to the electrical equipments in buildings shall be complied with by the consumers.

¹[provided such excess capacity does not result in any increase in the demand applied/sanctioned and such assessed capacity is commensurate with the capacity of the meter and service line provided and does not involve either change of category of supply or improvements to the distribution mains.]

(7) All transformers, switchgears, control equipments and other electrical equipments belonging to the consumer and connected to the mains of the Licensee shall be maintained to the reasonable satisfaction of the Engineer of the Licensee and shall be in conformity with the applicable Acts, Codes, Rules and regulations etc.,

(8) Before any wiring or fitting of motor or any other electrical equipment is connected to the system, the same shall be subject to the inspection of the Engineer of the Licensee. However, this condition will not apply to Low Tension Service Connections under the Tariffs for Domestic, Educational and other special institutions, and General Purpose categories (Commercial and other categories).

(9) All High Tension installations and their associated medium voltage and low voltage installations will have to comply with the applicable safety and security rules prescribed by Authority / Government / Commission.

(10) If the connected load of any installation exceeds 15 amperes at 240 volts the installation shall be wired on the group system, separate neutral wires being brought back in each case to the point of supply. Each circuit shall have a distinct control switch. The lamps, fans and other equipments in the installations shall be so grouped that under normal conditions the current will be balanced and no current will flow in the neutral wire.

(11) A caution Board printed in Tamil and English shall be affixed by the Licensee on the meter board of each service.

(12) In order to save the expenses of a long underground service connection on private property, consumer may, with the Engineer's approval, erect a pillar on that portion of his/her property which will be the metering point nearest to the Licensee's supply mains into which the service shall be laid and from which the consumer shall run overhead lines / UG cables to his/her premises. These overhead mains shall constitute portion of his/her installation. and shall be laid in compliance with the applicable Safety Rules. An efficient lightning arrester may be fixed at the commencement of the overhead line at the consumer's cost, should he desire the same, as an additional protection for his/her installation.

(13) Gas and water pipes shall on no account be used for earthing purposes. All wiring shall be kept as far as possible away from gas and water pipes.

(14) All wall plugs shall be of the three-pin type, the third pin connected to earth. All plugs shall be provided with switches on the live wire and not on the neutral.

(15) Motors shall be provided with control gear so that the maximum current demand of the consumer's installation does not in any case exceed the limit given in the following schedule.

<i>Nature of supply</i>	<i>Size of installation</i>	<i>Limit of maximum current demand</i>
Single Phase	Up to 3 H.P	Full load current x 6
Three Phase	i. Up to 3 HP	Full load current x 6
	ii. Above 3 HP and up to 15 HP	Full load current x 2
	iii. Above 15 HP and up to 100 HP	Full load current x 1.5
	iv. Above 100 HP	Full load current x 1.25

Note :

1. The capacity may exceed for the single-phase motors in areas where High voltage Distribution System using Single phase Distribution Transformers is implemented.

2. Providing of automatic switching facilities to the three phase motors with a direct on line starter is prohibited.

3. The use of phase shifters (to operate the three phase motors during two phasing by the Licensee) in respect of Agricultural services by the consumers is prohibited.

Failure to restrict within these limits and also to comply with the above requirements will render the service connection liable for disconnection.

¹Inserted as per Commission's Notification No. **TNERC/SC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

(16) Three-phase motor circuits shall be controlled by triple-pole switch with no-volt release and fuse protection. It is important that the release should be maintained in working order. Functionally equivalent controls shall also be acceptable. Wiring for such motors shall be run with all wires bunched in a conduit, which shall be efficiently earthed through and connected to the frame of motor from which two separate and distinct earth wires shall be run. The earth wire shall be preferably of copper.

(17) In the case of temporary supply, the consumer shall provide current limiting switch of appropriate capacity and capacitor, if any required.

31 INSPECTIONS, TESTING AND EFFECTING SUPPLY:

(1) After completion of the wiring, notice must be sent to the Engineer by the intending consumer (upon printed test report form obtainable free of cost from the offices of the Licensee) that the installation has been completed and tested and that the same is complete and ready for inspection and test by the Engineer. Notice of the Engineer's intention to inspect and test the installation will be sent to the intending consumer who must be present or his/her competent representative at the time fixed to give information that may be necessary concerning the installation. ¹[Upon executing / signing of the test report, a copy of the test report shall be given to the consumer].

(2) The intending consumer shall avail himself of the supply within three months in case of HT and one month in case of LT from the date of issue of notice in writing, informing him that supply is available.

(3) If the intending consumer fails to avail the supply within the above period, a further three months notice in case of HT and one-month notice in case of LT will be sent to the intending consumer to avail the supply. If he does not avail himself the supply during this notice period, the application will be treated as lapsed and cancelled in the case of Low Tension supply and the application shall be treated as cancelled, terminating the agreement, in the case of High Tension supply. The service connection charges and the Security Deposit / development charges, etc. except Meter Caution Deposit will be forfeited. In case the intending consumer could not avail the supply under force majeure conditions, the Security Deposit / development charges and meter caution deposit shall be refunded to the intending consumer.

(4) However, Licensees of the Distribution are delegated with powers to condone the delay on specific request from them if received before expiry of second notice period and to accord approval to effect supply any day after the date of expiry of second notice of availability of supply without forfeiture of development and other charges and cancellation of application subject to his/her consent to pay monthly minimum charges up to the date of availing supply.

(5) If the intending consumer avails supply during the notice period of availability of supply he shall pay the monthly minimum charges at the notified tariff rate for the period from the date of issue of first notice of supply availability till the date of availing supply.

(6) Requisition for supply or additional supply of electricity should be made in the prescribed form obtainable from the local office of the Licensee sufficiently in advance of the date of requirement of supply. Such Forms can also be made available in downloadable mode in the Licensee's website or allowed to be printed by others and made available in open market. The requisition should be made by the owner, or occupier, of the premises for which supply is required, and should indicate his / her full name and address. Any assistance or information required in filling up the form has to be given to the intending consumer at the local offices of the Licensee.

32. LICENSEE'S SUPPLY MAINS AND EQUIPMENTS:

(1) The Licensee may provide in Low Tension service connections its own meter, board, cut-out and other equipments and for High Tension Service connections, its own circuit breaker, High Tension fuses and other equipments and these will remain the property of the Licensee and must on no account be operated, handled or removed by anyone, who is not an employee of the Licensee, unless authorized by the Licensee. ²[If the consumer elects to purchase a meter, it shall be tested, installed, operated, maintained and sealed by the licensee. The consumer shall claim the meter purchased by him as his asset only after it is permanently removed from the system of the licensee.]

(2) The Licensee will have the right to use its supply lines and equipments provided under the conditions above and to lay cables under, across, over or through the consumer's premises for supply to other premises in the neighborhood.

(3) The consumer shall not interfere in any manner with the property of the Licensee and shall be fully responsible for the safety of the property of the Licensee in the consumer's premises. In the event of any loss or damage caused to Licensee's property by any act, neglect or default of the consumer, his/her servants or persons employed by him or due to any reason other than force majeure conditions the consumer shall compensate the Licensee for the cost of necessary repairs or replacements as may be indicated by the Engineer, within thirty days of issue of the bill in this behalf. Non-payment of such bill by the consumer shall entail disconnection of supply under section 56 of the Act.

¹ Inserted as per Commission's Notification No **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

² Inserted as per Commission's Notification No **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

33 AGREEMENTS:

(1) All intending consumers shall execute an agreement governing the supply of electricity in the form prescribed at the time of paying the Security Deposit and the service connection charges. The work of extension of supply will be taken up for execution only after the agreement is executed and the Security Deposit and the service connection charges, etc. are paid. For LT consumers other than agricultural and industrial consumers the application is treated as application-cum-agreement. In case of LT agriculture and industrial services, the agreement shall be in Form 7 in Annexure III and in case of HT consumers, the agreement shall be in Form 8 in Annexure III.

(2) Every agreement is for a specific purpose and a specified location. The Engineer may at his/her discretion permit a consumer to change the point of supply from one place to another on such terms as may be prescribed by the Licensee including payment of charges incidental to such change.

(3) The agreement can be terminated by the consumer at any time by giving one month's notice in writing to the Licensee expressing his/her intention to do so.

(4) The Licensee can terminate the agreement of a consumer at any time by giving one month's notice if the consumer has violated the terms of the agreement or the terms and conditions of this Code or the provisions of any law relating to the agreement including the applicable Acts and Rules under the Act and other orders from time to time. ¹[The Licensee shall inform the consumer regarding the grounds for such termination] It is obligatory on the part of the Licensee to inform the consumer regarding the grounds for such termination.

²(5) In the case of termination of the agreement either by the consumer under sub – regulation (3) or by the licensee under sub – regulation (4), as the case may be, the licensee shall recover the dues if any due from the consumer after making such adjustment of the dues, due to him by the consumer as may be necessary to clear the dues from the consumer against the security deposit or additional security deposit or any other deposit made by the consumer and after making such adjustment, refund the balance deposit, if any, to the consumer within three months from the date of termination of the agreement.]”

34. EARNEST MONEY DEPOSIT:

(1) The applicants required to pay Earnest Money Deposit will be asked to pay Earnest Money Deposit along with registration fee for registration of application.

(2) This Earnest Money Deposit will be adjusted against the quantum of initial Security Deposit payable by the applicant before availing supply and balance amount if any shall be collected.

(3) In respect of High Tension applicant the Earnest Money Deposit payable will be equal to the quantum of initial Security Deposit.

(4) If the applicant backs out after registration and payment of E.M.D. but before payment of Development charges, Service Connection charges and Meter Caution Deposit, then the application shall be cancelled and E.M.D. forfeited.

(5) If the applicant backs out after payment of all charges and execution of agreement, the application shall be cancelled and agreement terminated forfeiting all amount remitted except meter caution deposit in the case of both High Tension and Low Tension.

(6) If the H.T. applicant who prefers to back out partially against the sanctioned demand before availing supply, then the above forfeiture rule may be applied proportionate to the demand backed out.

(7) The Earnest Money Deposit paid does not bear any interest until the date of service connection.

35. SECURITY DEPOSIT:

(1) All applicants for supply of electricity shall pay initial Security Deposit, before availing of the supply, in Cash ³[***] Demand draft at the rate fixed by the Commission from time to time.

(2) The following categories of service connections may be exempted from payment of Security Deposit :

- (i) Service connections in the name of the State Government Departments

¹Substituted as per Commission's Notification No **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under :

It is obligatory on the part of the Licensee to inform the consumer regarding the grounds for such termination.

²Inserted as per Commission's Notification No **TNERC / DC / 8-7, dated 3-12-2007 (w.e.f. 19-12-2007)**

³The word “**cheque**” omitted as per Commission's Notification No.**TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

(ii) Service connections to premises occupied by Foreign Diplomats or Consulate Establishments, irrespective of whether the service connection is in their name or not.

(3) Applicants for supply of electricity for agricultural and hut service connections shall pay Security Deposit equivalent to seven months levy of lump sum charges / metered energy charges or the amount notified by the Commission from time to time .

(4) Interest will be paid by the Licensee on Security Deposit at the rate as may be fixed by the Commission from time to time. Full calendar months only will be taken into account for the purpose of calculating the interest and the interest will be calculated to the nearest rupee i.e. 50 paise or above will be rounded off to the next higher rupee and less than 50 paise will be ignored.

(5) If the consumer is prepared to take supply through pre payment meter such consumer is not required to pay security deposit.

36. ACCESS TO PREMISES, INSTALLATIONS AND EQUIPMENTS:

The access to premises , installations and equipments is subject to the provisions envisaged under sections 163 of the Act, which reads as :

“(1) A licensee or any person duly authorized by a licence may, at any reasonable time, and on informing the occupier of his intention, enter any premises to which electricity is, or has been, supplied by him, of any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by him for the purpose of—

(a) inspecting, testing, repairing or altering the electric supply lines, meters, fittings, works and apparatus for the supply of electricity belonging to the licensee; or

(b) ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or

(c) removing where a supply of electricity is no longer required, or where the licensee is authorized to take away and cut off such supply, any electric supply-lines, meters, fittings, works or apparatus belonging to the licensee.

(2) A licensee or any person authorized as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier, -

(a) enter any premises or land referred to in sub-section (1) for any of the purposes mentioned therein;

(b) enter any premises to which electricity is to be supplied by him, for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.

(3) Where a consumer refuses to allow a licensee or any person authorized as aforesaid to enter his premises or land in pursuance of the provisions of sub-section (1) or, sub-section (2), when such licensee or person has so entered, refuses to allow him to perform any act which he is authorized by those sub-sections to perform, or fails to give reasonable facilities for such entry or performance, the licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer.”

37. SHIFTING OF SERVICE CONNECTION : The cost of shifting a new service connection for which line is laid but service connection is yet to be effected shall be borne by the intending consumer. The intending consumer shall pay the above charges in advance in full. The shifting work will be taken up only after the payment is made. The estimate will cover the following: -

(a) Charges for dismantling at the old site.

(b) Charges for transport from the old site to the new site.

(c) Charges for re-erection at the new site.

¹[(d) Depreciated value of retrievable materials, if any, not used at the site should be credited to the consumer.

(e) Cost of new materials including transport, if required

(f) Cost of irretrievable materials at depreciated value.]

(g) Overhead charges.

¹Substituted as per Commission's Notification No **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. **27-2-2008**) which before substitution stood as under :

(d) Depreciation of retrievable old materials, if any, not re-used at the site.

(e) Cost of new materials, if required.

(f) Cost of irretrievable materials.

¹[With regard to shifting of existing service connection, the consumer shall pay all the arrears due to the Licensee, apart from the above shifting charges.]

38. RESTRICTIONS ON USE OF ELECTRICITY:

The consumer shall curtail, stagger, restrict, regulate or altogether cease to use electricity when so directed by the Licensee, if the power position or any other emergency in the Licensee's power system or as per the directives of SLDC/ SSLDC warrants such a course of action. The Licensee shall not be responsible for any loss or inconvenience caused to the consumer as a result of such curtailment, staggering, restriction, regulation or cessation of use of electricity. Notwithstanding anything contained in any agreement/ undertaking executed by a consumer with the Licensee or in the tariff applicable to him, the consumer shall restrict the use of electricity in terms of his/her maximum demand and/ or energy consumption in the manner and for the period as may be specified in any order that may be made by the Licensee on the instructions of State Government or the Commission.

39. TEMPORARY SUPPLY:

Temporary supply of electricity to any premises will be considered by the Licensee on special terms and conditions as below:—

(1) The Licensee shall extend temporary supply on application from intending consumer with required ²[charges] and on receipt of deposit.

(2) The deposit for temporary supply shall be calculated as below:

Total value of materials to be used on the extension and Service connection	A
Less: Value of meters / meter board / cut out	B
Net value of materials to be recovered from the consumer	A – B
Add: Labour charges to be incurred	C
Add: Overhead 15% on A – B + C	D
Probable consumption charges	
Advance current consumption (CC) charges	E
Total deposit to be obtained	F
(A – B + C + D + E)	

(3) On completion of temporary supply works, the following charges shall be adjusted against the deposit.

1. 10% cost of the retrieved materials
2. 10% cost of meter devoluted
3. 100% cost of materials not retrieved
4. original erection charges, dismantling charges and transport charges
5. Overhead at 15% on the total cost of materials plus labour charges (including cost of meter)

(4) The Licensee shall refund the balance deposit if any after the temporary supply period is over within a period to be specified by the Commission.

40. ENERGY CONSERVATION:

Promoting efficient use of energy including energy audit towards this end and energy conservation by all the consumers and the Licensee shall be mandatory as per the provisions contained in the Energy Conservation Act 2001 subject to the condition that such stipulations are not inconsistent with the Electricity Act 2003.

41. SERVICE OF NOTICE:

All letters, bills and notices including those under statutory requirements will be sent by the Licensee to the consumer by ordinary post or by messenger. Documents of notices so dispatched shall be presumed to have been duly received by the consumer on the date on which he could be reasonably expected to receive the same. The Licensee may, if it chooses, adopt any other mode of service of documents and notices to the consumer.

¹ Inserted as per Commission's Notification No **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

² Substituted for the expression "**fees**" as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

²[~~42. KNOWLEDGE OF ACTS, RULES, REGULATIONS, Orders, etc.:~~ Subject to the provisions contained in the Note 1 to sub-regulation (13) of regulation 29, the consumer will be deemed to have full knowledge of the provisions of 'applicable Acts, Rules and all Regulations and Notifications' made there under. The consumer shall act in due conformity with all the applicable Acts, Rules and all Regulations and Notifications mentioned above.]

43. INTERPRETATION: These terms and conditions shall be read and construed as being subject in all respects to the provisions of the Act, Rules, and regulations in force and as amended from time to time.

Chapter 7 : Recovery Charges

44. The Licensees are entitled to collect the charges from a person requiring supply of electricity any expenses reasonably incurred in providing any electrical line or electrical plant used for the purpose of giving that supply. These charges have also to be reviewed either periodically or at times of an urgent need for a revision. The consumers are liable to pay such charges as applicable and at the rates specified by the Commission from time to time through separate orders/ notifications. The various charges to be collected are furnished in the following clauses.

45. (1) Service Connection Charges: **Regarding the recovery relating to service connection charges:**

(i) For connecting up an installation, the Licensee shall be entitled to charge the consumer the actual cost of materials upto meter board, labor, transport plus overhead charges.

(ii) Extension, improvement or alteration to service lines to meet any additional demand will be charged on the same basis. In each case, the consumer will be furnished with an estimate of the cost of the work and this amount is payable in advance. On completion of the work, a bill for the actual amount payable will be forwarded to the consumer and any difference shall be paid by the consumer or will be refunded by the Licensee as the case may be.

(iii) The estimate for service connection charges may also include the service connection charges for metering referred to in regulation 45(2). The licensee shall give due credit for the materials if any supplied by the consumers.

(2) **Service connection charges for metering.** The licensee is authorized to collect service connection charges for metering.

46. **Meter Security Deposit:** The Licensee is authorized to collect security for the price of meter from LT/HT consumers at the rates specified by the Commission from time to time and enter into an agreement for hiring of the meter. The Licensee may permit the consumer to install his/her own meter. However, it shall be calibrated by the Licensee.

Note : -

1. The above rate shall also apply to L.T.Temporary Supply.

2. Interest is payable on the above deposit at the rate specified by the Commission from time to time. The deposit shall be refunded after termination of service agreement, as per rules.

3. If a consumer elects to purchase his own meter, he is not required to pay Meter Security Deposit.

47. **Development Charges:** The Licensee is authorized to collect development charges from LT/HT consumers at the rates specified by the Commission from time to time.

Note:—

(1) The above development charges (one time payment) shall be collected from all applicants both for new and additional loads.

(2) For additional loads applied in the existing service the same rates are applicable.

(3) In case of conversions from Single Phase to Three Phase the difference in the development charges shall be collected provided the initial development charges were paid while availing Single Phase Service.

(4) One fourth of the development charges shall be applied to temporary supplies.

¹Substituted for the expression "**The Consumer will be deemed**" as per Commission's Notification No. **TNERC /DC/8-4, dated 22-06-2006 (w.e.f. 16-8-2006)**

²Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

42. KNOWLEDGE OF FACTS, RULES, ORDERS, etc., : ¹[Subject to the provisions contained in Note 1 to sub-regulation(13) of regulation 29, the consumer will be deemed] to have full knowledge of the provisions of 'applicable Acts, Rules and all regulations and notifications made there under. The consumer shall act in due conformity with all the applicable Acts, Rules and all regulations mentioned above and, if he does not so act, his/her supply may be discontinued without prejudice to any other action that may be taken by the Licensee.

48. Earnest Money Deposit (EMD) : The Licensee is authorized to collect Earnest Money Deposit from all applicants for HT and LT industrial applicants at the rates specified by the Commission from time to time. This will be adjusted against the quantum of initial Security Deposit payable by the applicants before availing supply.

49. Security Deposit : The Licensee is authorized to collect initial security deposit at the rates specified by the Commission from time to time. Wherever Earned Money Deposit has been adjusted against the initial security deposit the balance if any will be collected from the applicants before giving supply.

50. Code to be read along with Supply Code, Electricity Act, 2003 and amendments etc.,

(1) This Code shall be read along with the Supply Code, the Tamil Nadu Electricity Grid Code and other relevant provisions of the Act, along with amendments thereon, rules and regulations made there under.

(2) Where any of the provisions of this Code is found to be inconsistent with those of the Act, rules or regulations made hereunder, notwithstanding such inconsistency, the remaining provisions of this Code shall remain operative.

(3) Where any dispute arises as to the application or interpretation of any provision of this Code, it shall be referred to the Commission whose decision shall be final and binding on the parties concerned.

(4) Wherever extracts of the Electricity Act, 2003 are reproduced, any changes / amendments to the original Act shall automatically be deemed to be effective under this Code also.

Chapter 8 : Code Review Panel

51. Appointment of Code Review Panel etc.,

(1) The Commission may appoint a Code Review Panel (hereafter in this Chapter referred to as "Panel") consisting of—

- (a) ¹[A Chairman who is a member of the Commission.
- (b) A Member Secretary, who is not below the rank of Chief Engineer of STU.
- (c) One Member from the SLDC who is not below the rank of Chief Engineer.
- (d) One representative from each of the distribution Licensees who is not below the rank of Chief Engineer.]
- (e) One Member from Rural Electricity Co-Operatives Societies if any.
- (f) Two representatives from domestic consumer sector, one from LT industry sector and one from agricultural consumer sector.
- (g) One Member representing the EHT / HT consumers.
- (h) One member representing captive / non-conventional energy source.

(2) The panel may, from to time, and in any case, at least once in three months and shall, when so required by the Commission, meet to consider changes or modifications to the Code as may be warranted. ²[The Member Secretary shall arrange for the panel meeting in consultation with the Chairman of the Code Review Panel. The tenure of the members mentioned under clauses (f), (g) and (h) of sub-regulation (1) shall be three years. The Commission shall have powers to re-nominate any member on expiry of his/her term.]

(3) The functions of the panel are-

- (a) to review the working of various provisions of this Code, the Tamil Nadu Electricity Grid Code and the Supply Code.;
- (b) to consider the suggestions received from Licensees, consumers and other interested persons;
- (c) to consider and offer its views on any specific matter as may be referred to it by the Commission.

¹ Substituted as per Commission's Notification No. **TNERC/DC/8-11, dated 29-06-2009 (w.e.f. 22-07-2009)** which before substitution stood as under:

- (a) **A Chairman who is not below the rank of Chief Engineer or an equivalent cadre from STU.**
- (b) **A Member Secretary, who is an officer not below the rank of Superintending Engineer or an equivalent cadre from STU.**
- (c) **One Member from the SLDC**
- (d) **One representative from each of the distribution Licensees**

² Inserted as per Commission's Notification No. **TNERC/DC/8-11, dated 29-06-2009 (w.e.f. 22-07-2009)**

(4) Manner of reviewing the Code—

(i) Any licensee, consumer or other interested persons desiring any change in this Code shall send the proposal in writing to the Panel specifying the reasons for such change and setting out the attendant circumstances. For this purpose, the licensee may hold meetings with the consumer or group of consumers if it is considered that the Code may require changes to meet the individual requirements of the consumer or group of consumers.

(ii) The Panel shall, upon receipt of such proposal or where the Commission has made a reference, forward the same to the STU for its consideration and written comments.

(iii) The Panel shall convene a meeting of its members to consider the comments of the STU, and if necessary at its discretion, invite and hear the person who made the suggestions for change and other interested persons and also the local authorities and telecommunication companies.

(iv) The Panel may, in considering the suggestion and the comments of the STU thereon, set up sub committees to study the related issues.

(v) The Panel after finalizing its views on the modifications to the Code, forward the same to the Commission:

Provided that the Panel may supplement its own procedure in addition to the procedure laid down herein for conducting its meetings and in carrying out its functions.

(5) The Commission may approve the changes with or without modification as it may deem fit and cause the publication of the same in such manner as may be necessary.

ANNEXURE I
LOAD DATA FOR DEMANDS OF 1 MW AND ABOVE
[Refer clause 6(3)]

1. Type of Load
2. Minimum Demand (KVA)
3. Year/Years by which full / part supply is required
4. Load location details
5. Rated Voltage and Frequency
6. Expected load curve
7. Withstand level of equipments/devices for the fluctuations, surges, swells, flickers and spikes
8. Characteristics of the loads
 (State whether the loads are steel melting furnace
 Arc/induction furnace and rolling mills, traction,
 containing welding sets in large numbers, software park etc.)
 (Furnish location map to scale, indicate details of nearest consumer and category / capacity)
 - i. Motors (with a specific focus on variable speed motors; soft start motors; fans; Blowers etc.)
 (State purpose and number of Installations, voltage and KW rating, starting current, type of Motors, types of drives and control arrangements.)
 - ii. Heating (Type and KW rating)
 - iii. Furnace (Type, Furnace Transformer Capacity and voltage ratio)
 - iv. Computer, Inverters, UPS and other switched mode supply unit
 - v. Electrolysis (Purpose, KVA capacity)
 - vi. Lighting (types of lighting used) (Low loss energy conservation lamps, fluorescent Lamps, M.V Lamps, Sodium Vapour lamps) demand in kVA
 - vii. P.F improvement capacitors/ Capacitor Banks (Nos, Capacity in MVAR)
 - viii. Air conditioning / Chilling plant
 - ix. Electronic Regulator for fan
 - x. Phase unbalance imposed on system
 - (a) Maximum (%)
 - (b) Average (%)
9. Maximum harmonic content imposed on the supply system on the end consumer level in percentage of fundamental voltage/current.
10. Details of any loads, which may cause demand fluctuations of greater than 10 MW at the point of connection, including Voltage Dips (percentage) lasting for 5 seconds and more
 - MVAR/KV
 - MW/Hz
 - MVAR/Hz
 (Furnish details of devices included in system for the suppression of harmonics i.e. the details of harmonic filter in use.)
11. Details of Captive Power Plants :

ANNEXURE II

SYSTEM DATA TO BE PROVIDED TO THE INTENDING CONSUMER WITH A CONTRACTED DEMAND OF 1 MW OR MORE

[Refer clause 6(3)]

1. A topographical map indicating the area of the licensee's supply network in the State of Tamil Nadu.
2. Single line diagram of distribution system (OH lines/ UG cables -length and conductor sizes) Primary and secondary substation capacity in KVA, capacitor bank sizes, fault level etc. to be indicated. (restricted area of concern for the prospective consumers)
3. Protective relaying and metering arrangements at substations.
4. Details of the substation and its main equipments (Transmission/Sub Transmission) along with a single line diagram of the SS.

Furnish the details of Auto/Power Transformer

Capacity in MVA	Primary KV
Voltage rating	Secondary KV
Current rating	Primary Amps
Tap changing	Secondary Amps
Range	off load/on load
Percentage impedance	- % to +.....%
Vector group per cent
Impulse level (BIL)
Fault level of the system KVP
Earthing system MVA
Power frequency voltage withstand	solidly earthed or not
Circuit breakers KV for one minute
	Type : Vacuum/SF6/Oil (OMCB,OCB)
	Current rating
	Voltage rating
	Rupturing capacity in (KA)
	Symmetrical
	Asymmetrical
	Impulse withstand level ... KVP
	Operating mechanism
	(Gapless) – MCOV
	Surge current rating
	(Gapped) - rated voltage
	Surge current rating
Provision of spiked Mats for the Power/ Auto Transformer	Ground wire for the station
	Line entrance Arrester
	Earth mat
Current Transformer	Type
	Rated voltage
	Current ratio
Potential Transformer	Type
	Rated voltage
	Burden
Capacitor Bank	MVAR/Bank
	Voltage rating ...KV
	Current rating ... Amp
Fire fighting equipment (Details)	Type – Nos.

ANNEXURE III : FORMATS

- FORM 1 > Application Form for L.T. Service Connection
(except agriculture and hut)
- FORM 2 > Application Form for Agriculture Service Connection
- FORM 3 > Application Form for Hut Service Connection
- FORM 4 > Application Form for H.T. Service Connections (including additional demand)
- FORM 5 > Owner Consent Letter for getting New Supply
- FORM 6 > Indemnity Bond from the Occupier when there is no Consent letter from owner
- FORM 7 > L.T. Agreement for Industrial / Agricultural Services
- FORM 8 > H.T. Agreement Form

FORM I

Application Form for L.T. Service connection (except Agriculture and Hut)

FORM OF REQUISITION FOR SUPPLY OF LOW TENSION ENERGY (SINGLE PHASE / THREE PHASE)

[Refer clause 27(3)]

To

The Designated Engineer
(Address of the Licensee)

Sir,

1. I hereby require you to supply electrical energy to the premises hereinafter described.

(Note this undertaking does not preclude a separate written contract being entered into, if so desired by the Licensee or the consumer.)

2. I agree to pay for said energy, service connection and other dues including the deposit of such security, meter rent, as may be demanded in accordance with the scale of rates prescribed under Tamil Nadu Electricity Distribution Code, Supply Code, notifications and orders issued in this regard by Tamil Nadu Electricity Regulatory Commission.

3. I wish to be charged under Tariff under schedule of the TNERC tariff order dated.

4. I agree to take supply for years and utilize the energy in the premises described hereunder or outside the premises for my bonafide use.

5. In case I sell or otherwise dispose of the property / vacate the premises while the supply is continued, I agree to give one Calendar month notice in writing and pay all the arrears to the Licensee. Failing such notice, I hold myself responsible for energy consumed in the premises till such notice is given to the Licensee.

6. Description of the premises

Door No. and / or name of the house or premises

Street

Town / village and Taluk

Owned by (Name in Block letters)

Tenanted by (Name in block letters)

Applicant's correspondence address

7. The following are my requirements

(A) Lighting	Number of Point's	Wattage of point's	Total wattage
(i) Lights	-	-	-
(ii) Fans	-	-	-
(iii) Convenient wall plugs	-	-	-
(B) Domestic electrical apparatus:			
(i) Cookers	-	-	-
(ii) Water heaters	-	-	-
(iii) Refrigerator	-	-	-
(iv) Air Conditioners			
(v) Other purpose	-	-	-
(vi) Convenience wall plugs			

(C) Power Loads

- (i) Domestic
- (ii) Industrial
- (iii) Welding
- (iv) Other purposes
- (v) Convenient Wall Plugs

Demand applied for in KW

The wiring has been completed on :

Signature of the Consumer

Place

Date

Note : The application shall be accompanied with the following documents:

- (i) Proof of ownership (sale deed or property / water / sewerage tax receipt)
- (ii) Consent letter from owner wherever applicable

FOR LICENSEE'S USE ONLY

Application registered as No.

dated

Note.1. In case of transfer of the service, fresh application should be signed by the transferee (or a letter signed by both the transferor and transferee, agreeing to the above conditions for transfer should be obtained).

2. Additions or omissions to the connected load to be notified to the Licensee before effecting the electricity connections.

PRECAUTION TO BE ADOPTED BY CONSUMER S, OWNERS, ELECTRICAL CONTRACTORS, ELECTRICAL WORKMEN, AND OTHER SUPPLIERS OF ENERGY

No electrical installation work, including additions, alterations, repairs and adjustments to existing installations except such replacement of lamps, fans, fuses, switches and other component parts of the installations as in no way alter its capacity or character shall be carried out upon the premises or on behalf of any consumer or owner for the purpose of the supply of energy to such consumer or owner, except by an authorized person specified by the Authority.

FORM-2

**Application Form for Agriculture Service connection
[refer clause 27(2)]**

APPLICATION FOR SUPPLY OF POWER TO AGRICULTURAL PUMP SETS

(Note: The application should be signed by the owner of the well, if there are partners, all must sign or consent to be given by co-owners)

To

The Designated Engineer,
(Address of the Licensee's Distribution Centre)

1. Name of owner of the well or partners
2. Full residential address of the owner or partners
3. S.F. No. in which the well is situated
4. Revenue village name, Taluk and District
5. Area and type of land to be irrigated by this well (Wet / Dry)
6. Horse Power of motor pump sets proposed to be installed.
7. Type of pump set (Centrifugal/ Submersible/ Air compressor)
8. Consent to abide by R&C of Licensee with regard to duration of supply

It is certified, I am the sole owner of the well / this application is signed by all partners

Place :

Date :

Signature of Applicant/ Partners

Note : The document such as FMB map showing the location of the well, patta, chitta, adangal etc., shall be enclosed with the application.

Date of receipt in the
Office of the Engineer,

Certified that the open well/bore well and lands measuring.....acres and.....cents in
S.F.No.....Village.....of.....Taluk is Exclusively owned by
Thiru.....s/o.....ofVillage.

Jointly owned by

- List of owners (1).....s/o.....
- (2)s/o.....
- (3)s/o.....

Certified that Thirus/o.....
is small / big farmer(s)

Village Administrative Officer.

FORM-3**APPLICATION FOR HUT SERVICE****[Refer clause 27(3)]**

(Form of requisition for supply of Low Tension Energy 40 Watts to huts in Panchayats)

To

The Engineer of the Licensee

Sir,

1. I hereby request you to supply electrical energy to my hut described below:

2. I agree to pay for energy, service connection meter rent and other charges including security deposit as demanded in accordance with the regulations prescribed by Tamil Nadu Electricity Regulatory Commission.

3. I wish to be charged under Tariff under schedule of the TNERC tariff order dated.

4. I agree to receive supply only for 40 W lamp and utilize the energy for my hut described hereunder and I agree that the authorities may disconnect the service connection in case I utilise the energy above 40 W.

5. In case I sell or otherwise dispose of the hut, I agree to give one Calendar month notice in writing and pay all the arrears to the Licensee.

6. I will make arrangements to make the single point wiring for lighting in my hut in accordance with the Code provisions and the safety rules prescribed by the Authority. I request the Licensee to provide single point wiring for lighting in my hut and the necessary payment will be made by me.

7. Self Declaration

The service connection applied for the hut is owned by me and

(a) it is built in my patta land (Land Tax Receipt is enclosed)

(b) it is built in the private land and No Objection Certificate obtained from the landowner is enclosed.

(c) it is built in the poromboke land and No Objection Certificate obtained from the Officer (not below the rank of Deputy Tahsildar) is enclosed.

¹[d) It is built in the poromboke land and I furnish the following undertaking,—

(1) I am aware that I am liable to be evicted and for supply disconnection at any time if the lands are required by the Government and / or any dispute arises at a later date and that electricity supply given in this regard will not confer any claim on ownership of the land.

(2) I am aware that the above undertaking shall not confer permanent and full right to the ownership of the land.

(Delete clause not applicable)]

8. Description of the premises

(a) Name of the applicant

(b) Father's Name

(c) Adi Dravidar / Other Castes

(d) Survey No. / identification of hut

(e) Area of hut

(f) Whether the hut constructed with
clay soil / thatched roof

(g) Village and Taluk

(h) Tenanted by (Name in block letters)

(i) Applicant's correspondence address

Signature of the Consumer/
left thumb impression

FORM-4

Application for H.T. Service connections (Including addl. Demand).

**FORM OF APPLICATION OF NEW SUPPLY OR ADDITIONS TO CONNECTED LOAD AND HAVE
MAXIMUM DEMAND EXCEEDING 63 KVA.**

[Refer clause 27(3)]

1. Name of Electricity supply Licensee and registered address:
2. Name of consumer and registered address :
3. Address of consumer's premises at which supply is required :
4. Nature of service :
5. Voltage rating at which H.T. supply is required :
6. Data on consumers load :

	Notified connected load in H.P.	M.D. in KVA
Description		
As on date		
Subsequent additional sanction		
Estimated requirement now applied		
Total		
Brief details of industry to be served		
No. of shifts		
Probable date of load maturing		
Remark, if any, regarding essentiality of supply		

Signature of Consumer

Name (in capital letter)

Date
Office Seal.

¹[Note : The application shall be accompanied by the following documents:—

(1) (a) When the applicant is the owner of the premises:

Certified copy of the sale deed for the premises executed in his favour

(or)

Property Tax receipt for the premises in the name of the applicant.

(b) When the applicant is not the owner of the premises:

Consent letter from the owner of the premises

(or)

Proof of legal occupation (including lease deed) along with the following:

(a) Indemnity Bond in Form 6

(b) Letter of acceptance to pay security deposit at twice the normal rate.

(2) Partnership deed: in case the applicant is a partnership firm or Memorandum / Articles of Association in case of companies registered under Companies Act.

(3) Letter / Resolution authorizing the signatory

(4) Site Plan]

7. Data to be furnished by Licensee

<i>Estimated increase in M.D. of the undertaking. if any, the application is recommended</i>	<i>Capacity of existing services, if any</i>	<i>Nature of supply DC /AC voltage or low voltage, etc.,</i>	<i>Brief list of materials required, i.e. cable transformer switchgear, etc.,</i>	<i>Approximate cost of giving service</i>	<i>Any other remarks affecting the supply undertaking with particular ref. to plant site location of consumer installation</i>
				<i>Materials in stock</i>	<i>Materials to be ordered</i>
1	2	3	4	5	6

8. Information regarding priority whether there is any prior H.T. applications in the connected area awaiting supply of power

Note : For the purpose of priority, the area served by the sub-station feeder will be taken into account.

Signature of Licensee's Engineer.

¹ Substituted as per Commission's Notification No. **TNERC/DC/8-5, dated 20-07-2006 (w.e.f. 16-8-2006)** which before substitution stood as under:

Note : (1) The application shall be accompanied by the following documents:

- **Proof of ownership of the premises (or) Registered lease deed**
- **Partnership deed, in case the applicant is a partnership firm**
- **Memorandum / Articles of Association in case of companies registered under Companies Act**
- **Letter / Resolution authorizing the signatory**
- **Site Plan**

FORM-5

Owner Consent Letter for getting New Supply.

[Refer clause 27(4)]

To

The Designated Engineer
(Address of the Licensee)

OWNER'S CONSENT LETTER

I _____ have _____
being the legal owner—of the premises No. _____ hereby agree as follows:—

I consent to the installation by you at the above mentioned premises tenanted by Thiru / Thirumathy _____
_____ of electric service cables, meters, wiring, fittings and other equipments for
the supply of electricity (hereinafter called "The Installation") under the terms of an agreement between you and the tenant
of the above said premises.

In the event of the above said tenant vacating the aforesaid premises, I shall give you due notice fifteen days advance
to enable you to arrange for the termination of your contract with the aforesaid tenant failing which I shall be responsible for
any loss that may accrue on that account.

Signed by the said _____

In the presence of _____

Witness Name _____

Address _____

FORM-6

(To be obtained in a stamped paper).

(Refer clause 27(4))

Indemnity Bond from the occupier when there is no consent letter from owner.

Indemnity Bond to be furnished by an intending consumer who is not the owner of the premises and applies without the consent of the owner

DEED OF INDEMNITY

THIS DEED OF INDEMNITY EXECUTED ON THIS, THEDAY OFTWO THOUSANDby Thiru./ Tmt.S/o. D/o. W/o.residing athaving office / workshop athereinafter called the indemnifier (which terms shall mean and include executors, administrators, heirs, successors and assigns) to and in favour of the (name of Licensee and address), a body corporate, hereinafter called the Licensee (which terms shall mean and include its successors in office and assigns).

WHEREAS the consumer has taken on lease the premises in Door No.....for the purpose offrom Thiru./ Tmt.S/o. D/o. W/o.residing atwho is the owner of the above said premises.

AND WHEREAS the consumer has approached the said owner of the premises to give his /her consent in writing to avail of a service connection in his/her name for the purpose of his / her business.

AND WHEREAS the said owner is not available/has refused to give his/her consent in writing for the purpose.

AND WHEREAS the indemnifier has requested the Licensee to give a service connection in his/her name subject to execution of an indemnity bond by him/her indemnifying the Licensee against any damage or loss caused to the Licensee in respect of the service connection in his/her name.

AND WHEREAS in consideration of the acceptance of the above for a service connection in his/her name, the indemnifier hereby agrees to indemnify the Licensee against all proceedings, claims, demands, costs, damages, expenses which the Licensee may incur by reason of a fresh service connection given to the indemnifier without the consent of the owner of the premises. The indemnifier further undertakes to make good any sum that may be found to be and become payable to the Licensee with regard to all liabilities and claims personally as well as by means of both movable and immovable properties. The indemnifier agrees that the enhanced Security Deposit paid by him shall be adjusted against the arrears of current consumption charges but also against any claim that may arise in the event of termination of the agreement prior to the expiry of the contracted period. The indemnifier further undertakes that the Licensee shall be at liberty to disconnect the service connection given to him/her , and also for loading the dues remaining unpaid by him/her to other service connection (s) that may stand in his/ her name.

NOW THE CONDITION OF THE above written bond is such that if the indemnifier shall duly and faithfully observe and perform the above said conditions, then the above written bond shall be void, otherwise the same shall remain in full force.

IN WITNESS WHEREOF Thiru/ Tmt.the indemnifier has signed this deed on the day month and year herein before first mentioned.

SIGNED AND DELIVERED BY

In the presence of Witness
(Name and Address)-

- 1.
- 2.

FORM-7

L.T. Agreement for Industrial / Agricultural Services

[Refer clause 33(1)]

(LICENSEE NAME)

L.T. AGREEMENT FORM

1. Scheme No.....
Name of Extension

(ii) Sanction No. ..

Name of consumer

Security Deposit

Permanent Receipt No.....Dt.....

- Stamp fee of Rs.....

- Collected in Receipt No.....Date.....

- S.C. No,.....

- Distribution.....

- Date of Service Connection (Date of Supply).....

- Date of commencement of agreement.....

FORM OF AGREEMENT TO BE TAKEN FROM CONSUMERS FOR SUPPLY OF LOW TENSION ELECTRICAL ENERGY
AND MISCELLANEOUS CHARGES CONNECTED THEREWITH

Agreement made thisday ofTwo thousand and between the (Name of the Licensee) a body corporate for distribution of electricity in the area (Hereinafter referred to as the Licensee which expression shall include its representatives) of the one part, and..... (Hereinafter referred to as "the Consumer" which expression shall include his/her heirs, executors, administrators and Legal Representatives and permitted assigns) of the other part, whereby it is agreed as follows-

1 CONDITIONS OF SUPPLY

The Licensee shall furnish to the Consumer and the Consumer shall accept at the premises mentioned in the Schedule hereto on and from the date on which the said premises shall be connected with the Licensee's distributing main a constant supply of electrical energy for the purpose and up to the maximum specified and under the conditions laid down in the Distribution and Supply Code. But the Licensee or its employees, servants or agents will not be responsible for any interruption or diminution of the supply due to lockouts, strikes of the employees of the Licensee, breakdown of machinery or plant, flood or other force majeure or any other cause beyond the control of the Licensee.

The conditions if any imposed by the licensee based on the directions of the Commission shall bind the consumer.

The Consumers shall commence to take supply within a month from the date of receipt of intimation from the officers of the Licensee that supply is available unless the consumer, in the opinion of the Engineer, is unable to do so for causes reasonably beyond control. Where the supply is not availed of within one month from the date of intimation as aforementioned, the sanction for the load shall lapse and this agreement also shall stand cancelled.

The energy shall be utilized within the premises mentioned in the schedule hereto or outside the premises for the bonafide use of the Consumer. In case of difference of opinion as to whether any utilisation of energy outside the premises is for the bonafide use of the consumer, the matter shall be referred to the Engineer, whose decision shall be final.

The consumer shall permit the Licensee free of cost to erect the posts, transmission line, structures and other apparatus necessary for the supply of electrical energy under this agreement over the land belonging to the Consumer and the Consumer shall have no claim whatsoever on account of any damage to his/her property by reason of such erection of, or any other work on the posts transmission lines, structures and other apparatus.

The Consumer agrees to take supply under any conditions of restrictions of load and time that may be fixed by the Licensee from time to time and to pay the minimum under this agreement in full notwithstanding such restrictions.

Supply is liable to be restricted, staggered or cut off altogether, as the case may be, if the power position or any other emergency warrants such a course of action.

The Licensee reserves the right to periodical shut down as and when required for purposes of routine maintenance after giving reasonable notice to the Consumer.

2. PAYMENT FOR SERVICE LINES ETC.,

The consumer shall pay to the Licensee on demand the cost of any service lines in respect of which requisition has been made.

3. METERS

The supply shall be measured and registered by a meter or meters in or upon the said premises to be provided, fixed and kept in proper order by the Licensee and such meter or meters shall remain the property of the Licensee. The consumer shall pay to the Licensee for each meter on hire the monthly rent as specified by the Commission from time to time. ¹[In the event of any meter ceasing to register or being found defective, the consumption during the period of such cessation or the existence of such defect shall be based on the average consumption of the preceding or succeeding four months, as the case may be as stipulated in the supply code.] No meter rent shall be collected from the consumer who opts for providing his/her own meter.

¹Substituted as per Commission's Notification No. **TNERC/DC/8-8 dated 8.2.2008 (w.e.f. 27.2.2008)** which before substitution stood as under:

In the event of any meter ceasing to register or being found defective, the readings during the period of such cessation or the power consumed during the period the meter was defective shall be based on the average consumption of the previous four months

4. READING OF METERS

Readings of the meter or meters will be taken by the employees of the Licensee once in each month or at such other intervals or times, as it shall think expedient and such meter readers shall have access to the Consumer's premises at all reasonable times, for the purpose of taking such readings. ¹[The reading of each meter shall be entered by such reader in the Meter Card supplied to the consumer, which shall be open to the inspection of the Consumer]. Payment for energy supplied shall be made by the consumer according to the reading referred to above of each meter and the charges recorded in the card by the Licensee.

The Licensee shall be entitled to discontinue supply if the consumer fails to give the employees of the Licensee reasonable facilities to enter the premises for the inspection, testing or removal of its supply lines meters, fitting works and apparatus and the Licensee has given in writing 24 hours notice of its intention so to discontinue.

5. FAULTS IN METERS

If the consumer shall at any time consider that any such meter is not in proper order and does not correctly register the quantity of the supply, the Engineer will on receipt of a representation in writing in that behalf from the consumer take necessary steps to have the same tested. If upon such test, it be found that the meter registers the supply within the limits of error as per applicable rules etc., the Consumer shall pay to the Licensee on demand all costs of and incidental to such test. If, however, upon such test it shall be found that the meter registers the supply in excess of the limits of error, all costs of and incidental to such test shall be borne by the Licensee. If, however, the mean error be found to be more than that specified above, the Engineer will deduct from or add to the account for the preceding period of four months an amount equivalent to the error.

²[6. TARIFF AND PAYMENT

For all Electrical energy so supplied, the Consumer shall pay to the Licensee at the tariff/minimum rates that may be decided by the Commission from time to time]

7. CONSEQUENCES OF NON-PAYMENT

If the amount of such bill remains unpaid on the expiry of the due date the Licensee may give the consumers ³[Fifteen days Notice] of his/her intention to discontinue the supply of electrical energy and at the expiry of such period if payment has not been received, may forthwith disconnect the supply and keep the same disconnected until payment of all moneys due under this agreement and the charges for the work of disconnection and reconnection has been made.

If the consumer fails to pay the amount of such bill due under this agreement within the notice period for payment as per the supply code, he shall in addition and without prejudice to the other rights and remedies of the Licensee, pay a surcharge of one and half per cent per month.

Such disconnection of the supply of electrical energy shall not relieve the Consumer of his/her liability to pay the minimum charge and the guaranteed revenue provided for herein, nor shall it affect any right, claim demand or power which may have accrued to the Licensee hereunder.

¹Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under:

The reading of each meter shall be entered by such reader in the consumer meter card to be attached to such meter, which shall be open to the inspection of the Consumer

²Substituted as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)** which before substitution stood as under :

6. TARIFF AND PAYMENT

For all Electrical energy so supplied, the Consumer shall pay to the Licensee at the rates given below and in accordance with the terms contained, in this agreement, provided that the minimum rates at least specified herein shall be paid irrespective of whether energy to that extent has been consumed or not.

NOTE:

The above tariff and the minimum are subject to any revision and or levy of surcharge that may be decided by the Commission from time to time.

³Substituted for the expression "**Fifteen Notice**" as per Commission's Notification No. **TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008)**

8. SECURITY DEPOSIT

The consumer ¹[***] on being there unto required in writing by the ²[Licensee shall] deposit with the designated Officer of the Licensee the sum of Rs.....(Rupees.....) as security for the purpose next herein after mentioned and shall on a similar requisition from the Designated Officer from time to time renew or replenish such security in the event of the same becoming exhausted or insufficient. Interest shall be paid on deposits at the ³[rates] notified by the Commission from time to time. Full calendar months shall be taken for the purpose of calculating interest, which shall be calculated to the nearest rupee. The interest accruing to the credit, of the Consumer shall be adjusted as provided for in the supply code. The designated Officer, shall be at liberty at any time and from time to time to appropriate and ⁴[adjust] the Security so deposited as aforesaid in or towards payment or satisfaction of all or any money which shall become due or owing by the Consumer to the Licensee in respect of the supply of energy or otherwise under this agreement, but the provisions contained in this clause shall not prejudice any other remedy to which the Licensee may be entitled for the recovery of such money.

9. TERMINATION OF AGREEMENT

The agreement can be terminated by the consumer at any time by giving one-month notice in writing to the Licensee expressing his intension to do so. In such case the consumer shall pay to the Licensee, from the date commencement of supply till the agreement is terminated, ⁵[***], minimum monthly charges, fixed charges, if any and other charges.

The Licensee can terminate agreement at any time by giving one month notice if the consumer has violated the terms of the agreement or the terms and conditions of the Distribution Code or provision of any law relating to the agreement including the applicable Acts and Rules and other orders ⁶[issued by the Commission from time to time]. The Licensee shall inform the consumers the grounds for such termination:

Provided always the consumer may at any time with the previous consent of the Engineer transfer his rights under this agreement to any other person approved by the Engineer and upon acceptance by such transferee of a valid assignment of these presents, this agreement shall become binding on the transferee and licensee as from date of acceptance and take effect in all respect as if the transferee had originally been ⁷[party] hereto, in place of the ⁸[consumer], who shall thenceforth be discharged from any further liabilities under or in respect hereof, without prejudice, however, to any claim by the licensee against the consumer in respect of any prior breach of this agreement by the consumer.

¹The word “**shall**” omitted as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

²Substituted for the expression “**Licensee**” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

³Substituted for the expression “**rate of**” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

⁴Substituted for the expression “**apply**” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

⁵The words “**security deposit**” omitted as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

⁶Inserted as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

⁷Substituted for the expression “**partly**” as per Commission’s Notification No. **TNERC/D/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

⁸Substituted for the expression “**customer**” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

10. SALE OR TRANSFER OF PREMISES

If the consumer shall, at any time during the continuance of this agreement intend to sell or otherwise dispose of the properties to vacate the premises to which electric supply is given or contracted for, he shall give ¹[prior] intimation to Engineer of his intention to do so and clear off all the dues to the Licensee up to that date. Upon receipt of such intimation and with effect from the date specified in such intimation the agreement in so far as the consumer is concerned shall cease to operate but without prejudice to any claim or right which may have accrued to the parties there under. If the consumer fails to give intimation as mentioned above he shall continue to be liable to pay the charges for consumption and other charges as under this agreement even beyond the date on which the premises is sold / vacated.

11. APPLICABILITY OF ACTS AND REGULATIONS

This agreement shall be read and construed as subject in all respects to the provision of the applicable Act and Regulations as noted in Distribution Code and Supply Code and of any modification or re-enactment thereof for the time being in force and the regulations for the time being in force there under so far as the same respectively may be applicable and subject to the conditions of supply approved from time to time ²[by the Commission].

12. SAVINGS AS TO CLERICAL ERROR

(a) In the event of any clerical errors or mistakes in the amount levied, demanded or charged by the Licensee then in the case of undercharging, the Licensee shall have a right to demand an additional amount and in the case of over charging the consumer shall have the right to get refund of the excess amount provided at that time such claims were not barred by limitation under the Act. ³[***].

(b) The parties hereby further agree that the amount claimed in the bill shall be payable within the time allowed, irrespective of any decision to be taken regarding any disputes about its correctness or otherwise of the amount levied demanded charged by the Licensee. The Licensee shall have a right to proceed in accordance with the Act, on the basis of the amount claimed in the bills, till it is proved or established that the amount claimed was in excess of what was actually due. The consumer shall not on the plea of incorrectness of the bills withhold any portion of the bills.

13. GENERAL

The other conditions of supply in this agreement are also subject to any revision that may be decided by the Licensee as per the directions of the Commission from time to time.

¹Substituted for the expression “previous” as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

²Inserted as per Commission’s Notification No. **TNERC /DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008)

³The words “provisions” omitted as per Commission’s Notification No. **TNERC/DC/8-8, dated 8-2-2008** (w.e.f. 27-2-2008).

Description of the Premises at which Supply is to be given

- ¹[(a) District.
- (b) Taluk.
- (c) Town/Village
- (d) Door No./Survey No./ Street
- (e) Street name /area

- (2) Supply Details
 - (a) Purpose of Supply
 - (b) Single or Three phase.
 - (c) Voltage
 - (d) Tariff

(3) Connected Load details ... KVA/ KW/HP Maximum connected load required by the consumer.]

.....

In witness thereof.....the Engineer acting for and on behalf of the Distribution Licensee and(consumer) have hereunto set their hands and seals the day, month and year first above

written.

²[*****]

²[Engineer]

Witness with address.

- 1.
- 2.

Witness ³[with address]

Signature of Consumer

⁴[***]

- 1.
- 2.

¹Substituted as per Commission’s Notification No. TNERC/DC/8-8, dated 8-2-2008 (w.e.f. 27-2-2008) which before substitution stood as under:

- District**
- Taluk**
- Town/Village**
- Door No./Survey No.**
- Supply Details**
- Purpose of supply**
- Single or three phase**
- Voltage**
- Tariff**
- Connected Load details**
- Maximum connected load required by the consumer KVA/KW/HP**

²The word “Engineer” shown in the left hand corner at the bottom end of the agreement shall be shown in the right hand corner as per Commission’s Notification No.TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008).

³Inserted as per Commission’s Notification No. TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008).

⁴The words “Postal Address” omitted as per Commission’s Notification No. TNERC/D/8-8 dated 8-2-2008 (w.e.f. 27-2-2008).

FORM-8

H.T. AGREEMENT FORM

[Refer clause 33(1)]

THIS AGREEMENT made this day of between. (Name of the Licensee) a body corporate for distribution of electricity in the area. called Licensee (which expression shall include its legal representatives and assigns) of the one part

AND..... Hereinafter called the 'consumer' (which expression shall include its successors, legal representatives and assigns) of the other part.

WHEREAS the consumer has requested the Licensee to supply electrical energy for a maximum demand ofKVA at H.T./ E.H.T. for the purpose of light and power and the Licensee has agreed to afford such supply to the consumer in Ref. No.....on

the terms and conditions of the Distribution Code, Supply Code and Grid Code wherever applicable and those hereinafter contained and whereas the consumer availed the supply on

WHEREAS an additional load of

KVA was sanctioned to the consumer in Ref. No..... totaling in all to a Maximum demand of KVA.

WHEREAS the consumer has on given an undertaking to execute an agreement with the Licensee. Now it is hereby declared and agreed as follows:

1. Load Maximum Demand

Subject to the provisions hereinafter contained, the Licensee shall supply and the consumer shall take from the Licensee electrical energy for a maximum demand not exceedingKVA which shall be its contracted demand for its exclusive use for the purpose above mentioned at the premises of its Factory/ Mills, at.....

The connected load shall be KVA / KW / HP The consumer shall not effect any change in the maximum demand or connected load.

2. Date of coming into force of the agreement

The Consumer shall begin to take electrical energy from the Licensee subject to the conditions of this agreement within three months from the date on which intimation is sent in writing to the consumer by the Licensee that supply of electrical energy is available. The provisions of this agreement shall be deemed to come into force from the date of commencement of supply of energy or the date of issue of first three month's notice of availability of supply whichever is earlier. ¹[If the consumer fails to avail the supply within 3 months, a further three months extension will be granted by the Licensee, after collecting the monthly minimum for the extended period in advance.

If the intending consumer fails to avail the supply, within the notice period or within the extended period granted thereof, the application will be treated as cancelled and the agreement will be terminated forfeiting all the amount paid by the consumer except meter security deposit as per the provisions of the Distribution Code]

3. Resale of Energy

The consumer shall not sell the electrical energy obtained under this agreement without the sanction in writing of the Licensee.

4. To comply with requirements of Act and Terms and Conditions of Distribution Code and Supply Code

The consumer hereby undertakes to comply with all the requirements of the applicable Acts, Regulations etc, and Grid code, Distribution code and Supply Code and of any amendments, modifications or reenactment thereof or of any other enactment to be passed in relation to supply made under this agreement from time to time and the rules, regulations or orders etc. made there under from time to time, provisions of the Tariffs, Scale of Miscellaneous and other charges and the terms and conditions of supply prescribed from time to time, and the consumer hereby agrees not to dispute their applicability to this agreement.

5. Design and Maintenance of equipment of consumer

All transformers switchgear and other electrical equipment belonging to the consumer and directly connected to the feeders or lines of the Licensee shall be of suitable Design and be maintained to the reasonable satisfaction of the Engineer/ The ratings of the fuses and setting of the relays on the consumer's control gear as well as the rupturing capacities of the consumer's circuit breakers, if any, shall be subject to the approval of the said Engineer.

¹Inserted as per Commission's Notification No. TNERC/DC/8-8 dated 8-2-2008 (w.e.f. 27-2-2008)

6. **Obligation of consumer to pay all charges levied by Licensee**

From the date this agreement comes into force the consumer shall be bound by and shall pay the Licensee, maximum demand charges, energy charges, surcharges, meter rents and other charges, if any, in accordance with the tariffs applicable and the terms and conditions of supply notified from time to time for the appropriate class of consumers to ¹[which such consumer belongs].

7. **Licensee's right to vary terms of agreement**

The consumer agrees that the Licensee shall have the right to vary, from time to time, tariffs, general and miscellaneous charges and the terms and conditions of supply under the directions / regulations or by special or general proceedings of Tamil Nadu Electricity Regulatory Commission. The consumer, in particular, agrees that the Licensee shall have the right to enhance the rates etc. chargeable for supply of electricity according to exigencies again with the approval of Tamil Nadu Electricity Regulatory Commission. It is also open to Licensee to restrict or impose power cuts totally or partially at any time as it deems fit.

8. **Minimum Monthly Charges**

The consumer agrees to pay minimum charges every month as prescribed in the tariff and supply code even if no electricity is consumed for any reasons whatsoever, and also if the charges for electricity actually consumed are less than the minimum charges. The minimum shall be payable even if electricity is not consumed because of disconnection of supply by the Licensee due to non-payment of electricity charges, pilferage or other mal-practices or for any other valid reason.

9. **Surcharge**

The tariffs charged by the Licensee are subject to any surcharge that may be levied by the Licensee from time to time as per approval of the Commission.

10. **Period of Agreement**

This agreement shall remain in force till it is terminated by either party as provided in Distribution code and Supply code.

IN WITNESS WHEREOF Thiru Engineer, acting for and on behalf of the Licensee and Thiru for and on behalf of the consumer have hereunto set their signatures, and the common seal of M/s..... has hereunto been affixed.

²[Signed in the presence of ENGINEER

1

2

The common seal of
M/s.
Witnesses with Address:

PARTNER
MANAGING DIRECTOR

1

2

]

¹Substituted for the expression "**which it belongs**" as per Commission's Notification No. **TNERC/DC/8-8 dated 8.2.2008** (w.e.f. **27.2.2008**)

²Substituted as per Commission's Notification No. **TNERC/DC/8-8 dated 8.2.2008** (w.e.f. **27.2.2008**) which before substitution stood as under :

**ENGINEER
PARTNER/MANAGING
DIRECTOR**

Signed by the above name in the presence of

1.

2.

***The common seal of M/s.
hereunto
affixed in the presence of***

was

1.

2.

ABBREVIATIONS

- 1 AC - Alternating Current
- 2 CERC - Central Electricity Regulatory Commission
- 3 CMDA - Chennai Metropolitan Development Authority
- 4 DC - Direct Current
- 5 FMB - Field Measurement Book
- 6 HP - Horse Power
- 7 HV - High Voltage
- 8 HZ - Hertz
- 9 KVA - Kilo Volts Ampere
- 10 KVP - Kilo Volt Peak
- 11 KW - Kilo Watt
- 12 LV - Low Voltage
- 13 MCOV - Maximum Continuous Operating Voltage
- 14 MV - Medium Voltage
- 15 MVA - Mega Volt Ampere
- 16 MVAR - Mega Volt Ampere Reactive
- 17 MW - Mega Watt
- 18 OCB - Oil Circuit Breaker
- 19 OMCB - Oil Minimum Circuit Breaker
- 20 OH - Overhead
- 21 R & C - Restriction and Control
- 22 RCC - Reinforced Cement Concrete
- 23 R & D - Research and Development
- 24 SC - Service Connection
- 25 SLDC - State Load Dispatch Centre
- 26 SS - Sub-station
- 27 UG - Underground
- 28 UF - Under Frequency
- 29 UPS - Uninterrupted Power Supply
- 30 VAR - Volt Ampere Reactive

(By Order of Tamil Nadu Electricity Regulatory Commission)

Chennai-600 008,
5th April 2011.

R.V. RAJAH,
Secretary,
Tamil Nadu Electricity
Regulatory Commission.