

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
NOTIFICATION
The 16th June, 2015

No. PSERC/Secy/Regu.104 - In exercise of the powers conferred on it under Section 61 read with Section 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling the Commission in this behalf, the Punjab State Electricity Regulatory Commission hereby amends the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005, namely:

1. Short Title and Commencement:

- 1) These Regulations shall be called the Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (3rd Amendment) Regulations, 2015.
- 2) These Regulations shall come into force from the date of their publication in the official Gazette of the State.

2. Amendment of Regulation 3(1) - Definitions

A new definition (aa) shall be added as under:-

(aa) "Auditor" means an auditor appointed by the generating company or the licensee, as the case may be, in accordance with the provisions of sections 139 & 148 of the Companies Act, 2013 (18 of 2013), or any other law for the time being in force.

3. Amendment of Regulation 10 – Excess or under recovery with respect to norms and targets

Clause (3) shall be substituted as under:-

- (3) The Transmission licensee shall be paid transmission charge (inclusive of incentive) for a calendar month for a transmission system or part thereof

$$= AFC \times (NDM / NDY) \times (TAFM / NATAF)$$

Where,

AFC = Annual fixed cost specified for the year, in Rupees

NATAF = Normative annual transmission availability factor shall be taken as 98%

NDM = Number of days in the month

NDY = Number of days in the year

TAFM =Transmission system availability factor for the month, in %, calculated by the respective Transmission Licensee, got verified and certified by the SLDC.

Provided that the Commission may get the annual Transmission system availability factor verified from an independent third party agency, till SLDC becomes an independent entity.

4. Amendment of Regulation 20 - Cost of Generation

Regulation 20 shall be substituted as under:-

- (1) While determining the cost of generation of each thermal / gas / hydro electric generating stations located within the State, the Commission shall be guided, as far as feasible, by the principles and methodologies of CERC, as amended from time to time.
- (2) The normative transit and handling losses as percentage of the quantity of indigenous coal despatched by the coal supplying company shall be 1.00 (one) percent or actual, whichever is lower:

Provided that no transit and handling losses shall be permissible in case of coal which is priced on FOR destination basis.

5. Amendment of Regulation 21 - Cost of Transmission

Regulation 21 shall be substituted as under:-

While determining the cost of transmission for use of transmission network of each transmission licensee, the Commission shall be guided, as far as feasible, by the principles and methodologies specified by CERC, as amended from time to time, for determination of tariff applicable to transmission licensee.

6. Amendment of Regulation 22 - Capital Investment Plan

Clauses (2) & (4) shall be substituted as under:-

- (2) The Commission may consider the generating company/licensee's investment plan for approval and for this purpose may require the generating company/licensee to provide relevant technical and commercial details.
- (4) To meet natural calamities involving substantial investments, the generating company and the licensee may, any time during the tariff year, seek provision for additional capital expenditure and the Commission shall examine and review these provisions in the manner as given in clause (2) above.

7. Amendment of Regulation 27 – Depreciation

Sub-clause (a) of Clause (1) shall be substituted as under:-

- (a) The value base for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission:

Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing depreciation:

Provided further that depreciation has been calculated after deduction of consumer contributions, capital subsidies/Government grants.

8. Amendment of Regulation 44 - Special Provisions

Regulation 44 shall be substituted as under:-

The Commission may waive and/or relax any of the provisions of these Regulations in any matter if, in the opinion of the Commission, it is impracticable or inexpedient to proceed as per these Regulations. In such a situation, after recording its reasons, the Commission may adopt any other approach which is reasonable and is consistent with the overall approach of these Regulations.

By order of the Commission

Sd/-

SECRETARY