

Comments & Suggestions on draft amendment to APERC Reg.no.5 of 2005

1. At the outset I wish to submit that the proposed amendment to clause 20.1 of Reg.no.5 of 2005 is not required on the ground of 'installed generating capacity' mentioned in the Introduction, as the said clause provides for fixing the 'transmission tariff' on the basis of **'total contracted capacity of all long term users'** but not on the basis of 'installed generating capacity'.
2. As per cl.20.2 of Reg.no.5 of 2005, each Transmission User including the Distribution Licensees have to enter into OA agreements in terms of the Open Access regulation no. 2 of 2005, duly mentioning **the 'Contracted Capacity'**.
3. In the formula under Clause 20.1, of Reg. no 5 of 2005, there is no contingency of shortfall / excess recovery as the total ARR is recovered through the Contracted Capacity (CC) of the Users. However clause 20.2 provides for adjustments of variations in recovery of approved ARR.
4. Open Access regulation no. 2 of 2005 defines the "Contracted Capacity" and the existing Distribution licensees are **'deemed long term open access users'** of the Intra-State Transmission system.
5. Clause 14 of the said OA regulation also contains the procedure for computing "available transmission capacity"
6. Thus the clause 20.1 of Reg.no.2 does not require any amendment on the ground of the practice of computing the transmission tariff on the basis of 'installed generation capacity' which is inconsistent with the Regulation, notwithstanding its saving Clause 25(2), as the said deviation is neither necessary nor expedient in my view.

7. However if the Hon'ble Commission decides to modify the methodology of computing Transmission tariff from "Contracted Capacity" basis to "Transmission Capacity" basis, it is necessary to specify the definition of 'Transmission Capacity' in the formula under clause 20.1 and also specify the procedure for computing such capacity to avoid possible disputes between Users and Transco after issue of the tariff order..

Hon'ble Commission may please consider these aspects before finalizing the proposed amendment to Clause 20.1 of the Regulation.

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