

To

04.11.2016

1. Tamil Nadu Generation & Distribution  
Corporation Limited,  
144, Anna Salai,  
Chennai- 600 002
2. Chief Financial Controller,  
Tamil Nadu Generation and Distribution  
Corporation Limited,  
No. 144, Anna Salai  
Chennai 600 002

Sir,

**Sub: Interim orders granted by the Hon'ble High Court of Madras in W.P.  
No. 35657 of 2016**

The captioned writ petition was filed seeking a Writ of Mandamus directing TANGEDCO to implement the order of the Hon'ble TNERC in R.A. No. 06 of 2013 dated 31.03.2016 in entirety and implement the Tariff Order No. 3 of 2016, being the Comprehensive Wind Tariff Order passed by the Hon'ble TNERC, insofar as Scheduling and System Operation Charges are concerned after awaiting for the orders of the R.P. No. 1 of 2016 and follow such other orders passed by the Hon'ble TNERC and to pass such further or other orders. We had also sought for an interim order of stay of the working instructions bearing Memo.No. CE/NCES/SE/EE/WPP/AEE2/F. Order No. 3, dt: 31.03.2016/D.1553/2016, dated 18.08.2016 insofar as Scheduling and System Operation charges are concerned pending disposal of the above captioned writ petition.

Further, in the affidavit filed supporting the writ petition, the Petitioner has stated the following in paragraph 14:

"The system operating charges have been fixed at 40% of the charges applicable for conventional power plant which were thus earlier determined at Rs 300 for 1.65 MW in 2008 (by an addendum to the order dated 15.05.2006) and later increased to Rs 600 for 2 MW in order dated 31.07.2012. However, they have seen an exorbitant rise which appears to be through an erroneous failure to set out that the rates on a pro-rata basis as per the order dated 31.03.2016 issued by the TNERC in Order No.3 of 2016. Both the earlier orders reasoned out the fixation of charges at lower than conventional charges, keeping in mind the lower PLF of 27% in consideration for the WEGs. There has been no change in the PLF but on the contrary PLF only went down due to rampant back downs in

recent years particularly between 2013, 2014 and 2015. In the current Wind Tariff Order dated 31.03.2016, the charges were determined at 40% of the charges applicable for conventional power plant without however anything mentioned about the proportionality of capacities as has been done historically from 2006 onwards. Only the transmission and wheeling charges were applied at normative rates for REC machines and it is in perfectly in line with the regulations ( both CERC and REC both of which require payment of normative charges in respect of transmission and wheeling charges); however for both REC & Non-REC Machines the same rates were applied and should continue to be applied. However it appears that the TANGEDCO is unilaterally seeking to levy differing charges without an order from the Hon'ble TNERC. This essentially means that for each service connection or even for each machine, irrespective of the capacity of the machine, Rs 800 is to be paid every day as Scheduling and System Operation Charges. This causes enormous financial burden on the generators who own smaller capacity machines like 250 KW and 500 KW who have been paying the said charges based on their capacities hither to from 2006 onwards."

The said matter was listed for admission on 06.10.2016 before Hon'ble Justice N. Kirubakaran of the Hon'ble Madras High Court. The Learned Judge has directed the members of the Petitioner to pay Scheduling and System Operation Charges at Rs. 300/- per day, irrespective of the capacity of WEGs, pending disposal of the writ petition.

The Petitioner has specifically raised the issue that the charges for both REC and Non-REC machines should be the same in the Writ. In as much as the interim order is a general order it is applicable to REC machines as well and the same levy of Rs.300 would have to be levied on REC machines.

Please find enclosed herewith a copy of the affidavit filed\*in and interim orders granted by the Hon'ble High Court of Madras W.P. No. 35657 of 2016.

Yours sincerely,



(RAHUL BALAJI)

(Encl: As above)