



TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

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To All Members

CIRCULAR

Dear members,

Sub: Electricity (Amendment) Rules 2024-Notified by the Ministry of Power Regarding.

Ref: The GoI Gazette No.31 dated 11.01.2024 publishing the Notification No.G.S.R. 36(E) dated 10.01.2024 of the MoP.

The Government of India in exercise of its authority under Section 176 of the Electricity Act, 2003, has introduced amendments to the Electricity Rules, 2005. These modifications, titled the Electricity (Amendment) Rules, 2024. In this context the Gazette has published the Notification No.G.S.R. 36(E) dated 10.01.2024. These Rules are coming into effect from 11.01.2024.

One of the key changes involves the renumbering of the existing Rule 21 to Rule 24 in the Electricity Rules, 2005. Additionally, two new rules, 21 and 22, have been introduced. Rule 21 outlines the provisions for the establishment, operation, and maintenance of dedicated transmission lines.

Rule 22 addresses Open Access Charges, covering aspects like wheeling charges, charges for using State Transmission Utility networks, and additional surcharges for Open Access Consumers.

Rule 23 emphasizes the need for tariff to be cost reflective, minimizing any gap between the approved Annual Revenue Requirement and estimated annual revenue from the approved tariff, except under natural calamity conditions.

The following are the highlights of the Amendments.

Rule 21. Establishment, Operation and Maintenance of Dedicated Transmission Lines:

No requirement of Licensee for Dedicated Transmission Line, if the CGP / Energy Storage System exceeds 5 MW in respect of Inter State Transmission and 10 MW in respect of Intra State Transmission.

Rule 22. Open Access Charges.-





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(1) Wheeling charges.-

Wheeling charges shall be computed as per the following formula:

Wheeling Charge = Annual Revenue Requirement towards wheeling Energy wheeled during the year

(2) Charges for using network of State Transmission Utilities.-

The charges for using State Transmission Utility network by the consumers availing short-term open access or Temporary-GNA, as the case may be shall not be more than one hundred ten per cent of the charges levied on consumers using State Transmission Utility network on long-term basis or on General Network Access basis, as the case may be

(3) Additional Surcharge.

The Additional Surcharge levied on any Open Access Consumer shall not be more than the per unit fixed cost of power purchase of the Distribution Licensee concerned.

Provided that for a person availing General Network Access or Open Access, the Additional Surcharge shall be linearly reduced from the value in the year in which General Network Access or Open Access was granted so that, if it is continued to be availed by this person, the Additional Surcharge shall get eliminated within four years from the date of grant of General Network Access or Open Access.

Provided further that the Additional Surcharge shall not be applicable for Open Access Consumer to the extent of contract demand being maintained with the Distribution Licensees.

Provided also that the additional surcharge shall be applicable only for the Open Access Consumers who are or have been consumers of the concerned Distribution licensee

Rule 23: Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff:

The tariff shall be cost reflective and there shall not be any gap between approved Annual Revenue Requirement and Estimated Annual Revenue from approved tariff except under natural calamity conditions.

Provided that such gap, created if any, shall not be more than three percent of the approved Annual Revenue Requirement.





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Provided further that such gap along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum three numbers of equal yearly instalments from the next financial year.

Provided also that any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff existing on the date of notification of these rules, along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum seven numbers of equal yearly installments starting from the next financial year

A soft copy of the above mentioned GoI Gazette is enclosed for the reference of members. These Rules are coming into effect from 11.01.2024 and therefore, it has to be wait and seen as how the State Commissions are acting upon these Rules while determining the following Tariff Components.

With Warm Regards

N. Pradeep President