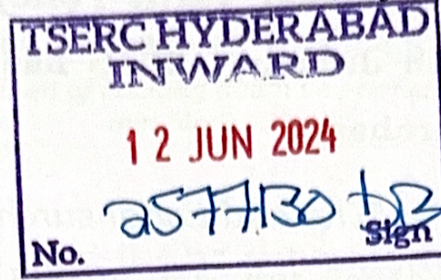


SA No. 37/2024

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

At 5th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004



FILING NO. ____/24

CASE NO. 8/24

In the matter of

Petition for determination of Additional Surcharge to be levied on Open Access consumers for the second half (H2) of Financial Year 2024-25 as per the directions of Hon'ble Commission in its Order dated 18.09.2020 in OP No. 23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and National Tariff Policy, 2016.

In the matter of

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

This application is filed for determination of Additional Surcharge (AS) to be levied on Open Access consumers for the second half (H2) of Financial Year 2024-25 as per the directions of Hon'ble Commission in its Order dated 18.09.2020 in OP No. 23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and National Tariff Policy, 2016.

The applicants respectfully submit as under:

- 1. As per section 42(4) of Electricity Act, 2003 the State Regulatory Commission may specify the additional surcharge to be levied on the open access consumers to enable the licensee to recover its fixed costs arising out of its obligation to supply.**

Sec 42(4): "Where the State 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 be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply".

- 2. As per Andhra Pradesh Electricity Regulation Commission Regulation No. 2 of 2005 which is applicable to Telangana state adopted vide Regulation no. 1 of 2014 of Telangana State Regulation commission, the Distribution company may file petition for additional surcharge as per the following clause.**

Clause 17.1.4: "The open access user shall also be liable to pay additional surcharge on charges of wheeling as may be specified by

the commission from time to time under section 42(4) of the Act, in case open access is sought for receiving supply from a person other than distribution licensee arising out of his obligation to supply”

3. Further, the National Tariff Policy (NTP) Notified by Ministry of Power on 28th January, 2016 has the following provision on the Additional Surcharge

Clause 8.5.4: “The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges”.

4. In accordance with the aforementioned statutory provisions, the Hon’ble Commission passed an Order dated 18.09.2020 in OP No. 23 of 2020 specifying the mechanism for determination of stranded capacity along with the approved methodology and terms & conditions for levy of Additional Surcharge on Open Access (OA) users in order to meet the fixed cost commitment of the distribution licensees arising out of its obligation of supply.
5. Accordingly, the licensees were directed to submit the filings for determination of AS for the 1st half of the ensuing financial year i.e., for the period from April to September of the ensuing financial year latest by 30th November of the current financial year and for the 2nd half of the ensuing financial year i.e., for the period from October to March of the ensuing financial year latest by 31st May of the ensuing financial year.
6. The licensee hereby submits the Additional Surcharge proposals for H2 of FY2024-25 considering the actual parameters pertaining to H2 of FY2023-24 in consonance with order in OP No.23 of 2020 as follows:
 - The average stranded capacity due to OA consumers for the six months period (October 2023 to March 2024) considering 15-minute block wise data works out as 23.21MW as presented below. The block wise information is also herewith attached in soft copy.

Particular (in MW)	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Average
Available capacity	28037430.27	23223986.97	23976307.43	27726958.71	26886485.01	29896756.49	9093.12
Scheduled Capacity	26996437.42	20957304.85	21503715.95	24719145.32	23411901.60	25934093.65	8169.55
Gross(Deficit)/Surplus	1040992.84	2266682.12	2472591.48	3007813.39	3474583.41	3962662.83	923.57

Short-Term Purchases Capacity	6478990.30	4967674.01	5571320.06	5516634.51	5745605.65	6893027.70	2002.12
(Deficit)/Surplus after netting of Short-Term Purchases	94370.81	463688.62	264183.78	1194025.90	604458.48	738510.18	191.21
OA Scheduled Capacity	285512.35	255996.77	162051.88	166356.99	286697.37	224630.64	78.62
Stranded Capacity	33767.96	91498.66	32338.57	28704.91	109754.85	111685.43	23.21
<i>Stranded Capacity arrived by considering minimum of backing down i.e., deficit and OA scheduled capacity for each 15-min block</i>							

- The fixed charges paid to the generators for H2 of FY2023-24 is Rs. 6,391.74Cr and the average long term available capacity is 9,093.12MW. Thus, the average fixed charge worked out to Rs. 0.70Cr. per MW.
- Accordingly, the fixed charges for stranded capacity of 23.21 MW works out as Rs. 16.31Cr. (i.e. 23.21 MW X Rs. 0.70 Cr./MW)
- The transmission charges paid by the Licensees' for H2 FY 2023-24 are Rs. 3,197.52 Cr. and scheduled energy for that period is 46,040.41MUs. Thus, the actual transmission cost per unit works out as Rs. 0.69 per kWh.
- The HT distribution charges are computed as per the directions of the Hon'ble Commission in the Additional Surcharge order for H1 of FY 2024-25, works out to Rs. 0.17 per kWh by considering distribution charges of HT network (Other than LT network) i.e. 11KV and 33KV as detailed below:

Table : Distribution Charges considered

Half (½) of the Distribution cost as per fourth MYT Distribution Tariff Order read with its amendment order dt 01.03.2021 by considering ARR less NTI.	(a)	INR Cr	4649.81
Actual scheduled capacity for H2 FY 2023-24	(b)	MU	46040.41
Total Distribution charges as per Tariff Order	(c)=a/b	Rs/kWh	1.010
Distribution charges other than LT (i.e., 11 kV and 33 kV) as per MYT Distribution Tariff Order read with its amendment order	(d)	INR Cr	1599.68
Percentage of other than LT distribution cost (i.e., for 11 kV and 33 kV) in total distribution cost as per MYT Distribution Tariff Order	(e)=(½xd)/a	%	17.2%
Distribution charges as per Tariff Order considered by Commission for Additional Surcharge calculation	(f)=e*c	Rs/kWh	0.17

- Hence, the total T & D costs works out to Rs. 0.87per kWh.
- The demand charges recovered by the TGDIs from open access consumers are Rs.161.19 crores. The Hon'ble Commission directed to exclude the revenue recovery pertaining to LT network since the distribution charges of LT network is not considered on the expenditure side. Accordingly, Net demand charges considered in Additional Surcharge calculations work out to Rs .119.17 crore by excluding the demand charges recovery portion of LT network cost as detailed in Table below:

Table : Net Demand Charges recovered by TSDISCOMs from Open Access consumers

(A)	Total Demand Charges Recovered		INR Cr	161.19
(B)=31.48%*(A)	Distribution Cost recovery percentage in demand Charges as per Tariff Order values	31.48%	INR Cr	50.75
(C)=82.8%(B)	Lt Network cost recovery percentage in Distribution cost	82.80%(1-17.20%)	INR Cr	42.02
(D)=(A-C)	Net demand charges (Excluding LT network cost recovery) considered in Additional Surcharge calculations		INR Cr	119.17

- Based on the above-mentioned values, the demand charges that are to be adjusted/ (recovered) from OA consumers works out to be Rs. 5.73 Cr.(Rs.119.17Cr – Rs.113.44)
- Hence, the net stranded charges work out to Rs.10.59 Cr. (Rs.16.31Cr - Rs.5.73) which are considered for calculation of additional surcharge.
- The OA sales for H2 of FY2023-24 are 66.05 MU pertaining to open access other than captive transactions for the period from Oct'23 to Mar'24 and hence the additional surcharge per unit is computed to be Rs. 1.60 per kWh.

Accordingly, the Additional Surcharge that is determined for H2 of FY 2024-25 has been tabulated below:


S. No.	Particulars	Unit	Value
{A}	Long Term Available Capacity	MW	9,093.12
{B}	Capacity stranded due to open access	MW	23.21
{C}	Fixed Charges paid	Rs. Cr.	6,391.74
{D} = {C}÷{A}	Fixed Charge per MW	Rs. Cr./ MW	0.70
{E} = {D}×{B}	Fixed Charge for Stranded Capacity	Rs. Cr.	16.31

{F}	Transmission Charge Paid	Rs. Cr.	3,197.52
{G}	Actual Energy Scheduled	MU	46,040.41
{H} = {F}÷{G}	Transmission Charges per unit	Rs. /kWh	0.69
{I}	Distribution Charges as per Tariff Order	Rs. /kWh	0.17
{J} = {H}+{I}	Total transmission and distribution charges per unit	Rs. /kWh	0.87
{K}	Energy consumed by OA consumers from the DISCOMs	MU	1,306.56
{L} = {K}×{J}	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	113.44
{M}	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	119.17
{N} = {M} - {L}	Demand Charges to be adjusted	Rs. Cr.	5.73
{O} = {E} - {N}	Net stranded charges recoverable	Rs. Cr.	10.59
{P}	Open Access Sales	MU	66.05
{Q} = {O}+{P}	Additional Surcharge Computed	Rs. /kWh	1.60

7. It is, therefore prayed that the Hon'ble Commission may please be accorded approval to the licensee's proposal of Additional Surcharge of Rs.1.60/kWh for H2 of FY2024-25 and pass such orders as the Hon'ble Commission may deem fit and proper.
8. The licensee would also like to submit that, the fixed charges paid for H2 of FY2024-25 as mentioned above are provisional in nature that are subjected to variations in the final audited accounts. Hence, in view of the above, the licensee would humbly request the Hon'ble Commission to consider any variation as mentioned earlier in the ensuing filings of Additional Surcharge as and when the final audited accounts are available.

Place: Hanumakonda

Dated: 11.06.2024


 Petitioner
Chief General Manager
 IPC & RAC, TGNPDCL,
 WARANGAL.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
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At 5th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

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In the matter of


NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING PETITION.

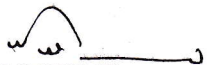
I, Sri K. Tirmal Rao, son of Sri K. Damoder Rao, aged 57 years, working for gain at the Northern Power Distribution Company of Telangana Limited do solemnly affirm and say as follows:

- 1) I am the Chief General Manager/ (IPC & RAC) of TGNPDCL, I am competent and duly authorized by TGNPDCL to affirm, swear, execute and file this petition.
- 2) I have read and understood the contents of the accompanying filing of petition for determination of Additional Surcharge to be levied on Open Access consumers for the second half (H2) of Financial Year 2024-25. The statements made in paragraphs of accompanying application now shown to me are true to the best of my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.


DEPONENT
Chief General Manager
IPC & RAC, TGNPDCL,
WARANGAL.

VERIFICATION.

The above named Deponent solemnly affirm at Hyderabad on this 11th day of June, 2024 that the contents of the above Affidavit are true to best of my knowledge, no part of it is false and nothing material has been concealed there from.


DEPONENT
Chief General Manager
IPC & RAC, TGNPDCL,
WARANGAL

Solemnly affirmed and signed before me



General Manager
IPC & RAC, TGNPDCL,
Warangal.