

SA no. 77/2023

**BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY
COMMISSION**

AT ITS OFFICE AT 5th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

TSERC HYDERABAD INWARD	
31 MAY 2023	
No. 203015	Sign: [Signature]

FILING NO. ____/23

O.R. CASE NO. 16/23

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 2023-24 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 2023-24 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 as per Regulation no. 1 of 2014 of Telangana State Regulation**

commission, the distribution company can file 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. In the most recent order for A.S. in O.P.No.s 75 and 76 of 2022, the Hon'ble Commission has directed the TS DISCOMs to consider following factors while determining Additional Surcharge for H2 of FY 23-24. The directives are as follows:
 - i. To reflect the stranded capacity after netting off short-term purchases, if any, in the corresponding time-block; and
 - ii. To reflect the distribution charges for only HT network (i.e., other than LT network) viz., 11 kV and 33 kV;

7. Due to the Operational difficulties to implement the directives of Hon'ble Commission and in view of the irrational figures of A.S., the DISCOMs have proposed to modify the current methodology in addition to the Commission's directives in A.S. order in O.P.No.s 75 and 76 of 2022.
 8. The DISCOMs have addressed a letter to the Hon'ble Commission vide Lr.No.CGM(RAC) / SE(RAC)/DE(RAC)/F.556066/D.No.49/23, dated 24.04.2023 and requested to modify the currently applicable methodology given in the OP No. 23 of 2020 to incorporate the latest directives.
 9. DISCOMs have proposed that the energy consumed by the OA consumers from DISCOMs and respective Demand charges collected be excluded from the methodology for determination of Additional Surcharge **as the entire fixed charges commitment of licensees for power purchase, Transmission and Distribution system are not recovered through demand charges/fixed charges from the consumers.** The new proposal ensures that Additional Surcharge claimed by the TS DISCOMs does not become burden for Open Access consumers in the State.
- Based on the newly proposed methodology by the TS DISCOMs through letter vide Lr.No.CGM(RAC) / SE(RAC) / DE(RAC)/F.556066/D.No.49/23, dated 24.04.2023, the licensee hereby submits the Additional Surcharge proposals for H2 of FY2023-24 considering the actual parameters pertaining to H2 of FY2022-23 in consonance with order in OP No.23 of 2020 and directives in O.P.No.s 75 & 76 of 2022 as follows:
 - The average stranded capacity due to OA consumers for the six months period (October 2022 to March 2023) considering 15-minute block wise data works out as 47.42 MW as presented below.

Particular (in MW)	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Average
Available capacity	10699.28	8686.20	8574.67	8979.65	9067.35	9142.35	9191.58
Scheduled Capacity	7107.92	7146.26	7756.70	7238.18	9025.43	8009.09	7713.93
Gross (Deficit)/Surplus	3591.36	1539.95	817.97	1741.35	41.93	1133.27	1477.64
ST Purchase Capacity	136.52	338.36	1102.46	134.44	2261.62	2791.20	1127.43
Deficit/(Surplus) after netting of ST purchases	3459.03	1292.01	626.66	1721.82	51.91	251.04	1233.74
OA Scheduled Capacity	94.90	94.17	74.58	53.33	50.14	39.09	67.70
Stranded Capacity	94.22	81.31	38.68	48.85	10.17	11.31	47.42

Stranded Capacity arrived by considering minimum of backing down i.e., surplus and OA scheduled capacity for each 15-min block.

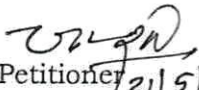
- The fixed charges paid to the generators for H2 of FY2022-23 is Rs. 6574.36 Crores and the average long term available capacity is 9191.58 MW. Thus, the average fixed charges worked out to Rs. 0.72 Crores per MW.
- Accordingly, the fixed charges for stranded capacity of 47.42 MW works out as Rs. 33.92 Crores (i.e., 47.42 MW X Rs. 0.72 Crores)
- The transmission charges paid by the Licensees' for H2 FY 2022-23 are Rs.2483.71Crores and scheduled energy for that period is 39635.68 MUs. Thus, the actual transmission cost per unit works out as Rs. 0.63 per kWh.
- As per directions issued by the Commission in O.P.No.75 and 76 of 2022, the distribution wheeling charges for HT network for the FY 2022-23 works out to be Rs. 0.18 per kWh.
- Hence, the total T & D costs works out to Rs. 0.81 per kWh.
- The projected OA sales for H2 of FY2023-24 is considered to be the OA sales recorded for H2 of FY2022-23 i.e., 129.14 MU.
- Based on the above-mentioned values, Transmission and distribution charges to be paid by open access consumers works out to be Rs. 103.96 Crores (i.e., 129.14 MU X Rs. 0.81 Crores).
- Hence, the net stranded charges are Rs.137.88 Crores which are considered for calculation of additional surcharge.
- Hence the additional surcharge per unit is computed to be Rs. 1.07 per kWh (i.e. Rs.137.88 Crores / 129.14 MU).

Accordingly, the Additional Surcharge that is determined for H2 of FY 2023-24 has been tabulated below:

S. No.	Particulars	Unit	Value
{A}	Long Term Available Capacity	MW	9,191.58
{B}	Capacity stranded due to open access	MW	47.42
{C}	Fixed Charges paid	Rs. Crore	6574.36
{D} = {C}÷{A}	Fixed Charge per MW	Rs. Crore/ MW	0.72
{E} = {D}×{B}	Fixed Charge for Stranded Capacity	Rs. Crore	33.92
{F}	Transmission Charge Paid	Rs. Crore	2,483.71
{G}	Actual Energy Scheduled	MU	39,635.68
{H} = {F}÷{G}	Transmission Charges per unit	Rs. /kWh	0.63
{I}	Distribution Charges as per Tariff Order	Rs. /kWh	0.18
{J} = {H}+{I}	Total transmission and distribution charges per unit	Rs. /kWh	0.81
{K}	Open access sales	MU	129.14
{L}={K}×{J}	Transmission and distribution charges to be paid by open access consumers	Rs. crore	103.96
{M}={L}+{E}	Net stranded charges recoverable	Rs. crore	137.88
{N}={M}÷{K}	Additional Surcharge	Rs. /kWh	1.07

10. It is, therefore, prayed that the Hon'ble Commission may please be accorded approval to the licensees' proposal of Additional Surcharge of Rs. 1.07/kWh for H2 of FY2023-24 and pass such orders as the Hon'ble Commission may deem fit and proper.
11. The licensee would also like to submit that, the fixed charges paid for H2 of FY22-23 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:31.05.2023


Petitioner 31/5/23
Chief General Manager
IPC & RAC, TSNPDCL
WARANGAL

Chief General Manager
IPC & RAC, TSNPDCL
WARANGAL

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NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING PETITION.

I, V.Mohan Rao, S/o V.Maisaiah, aged 59 years, Occupation: Chief General Manager (IPC&RAC), TSNPDCL, Hanumakonda R/o Hanumakonda do solemnly affirm and say as follows:

- 1) I am Chief General Manager (IPC&RAC)/TSNPDCL, I am competent and duly authorized by TSNPDCL 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 2023-24. The statements made in paragraphs of accompanying application now shown to me are true to 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 21/5/2023
Chief General Manager
IPC & RAC, TSNPDCL
WARANGAL

VERIFICATION.

The above named Deponent solemnly affirm at Hanumakonda on this 31st day of May, 2023 that the contents of the above Affidavit are true to my knowledge no part of it is false and nothing material has been concealed there from.

Solemnly affirmed and signed before me


31/5/23
General Manager
IPC & RAC, TSNPDCL
WARANGAL


DEPONENT
31/5/2023
Chief General Manager
IPC & RAC, TSNPDCL
WARANGAL