



## TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

11-4-660, 5<sup>th</sup> floor, Singreni Bhavan, Red Hills Hyderabad – 500 004  
Telephone 23311125/26/27/28 Fax No.23397489 website: www.tserc.gov.in

### PUBLIC NOTICE

In the matter of seeking comments, suggestions and objections for the proposed fuel price escalation rate for Renewable Energy (RE) sources.

1. Central Electricity Regulatory Commission (CERC) RE Tariff Regulations, 2012 prescribes the following Fuel Price Indexation Mechanism:

$$P_{(n)} = P_{(n-1)} * \{a * (WPI_{(n-1)} / WPI_{(n-2)}) + b * (1 + IRC_{(n-1)}) + c * (Pd_{(n-1)} / Pd_{(n-2)})\}$$

Where

$P_{(n)}$  : Price per tonne of fuel for n<sup>th</sup> year

$P_{(n-1)}$  : Price per tonne of fuel for (n-1)<sup>th</sup> year

a : Factor representing fuel handling cost which is taken as **0.2**

b : Factor representing fuel cost which is taken as **0.6**

c : Factor representing transportation cost which is taken as **0.2**

$WPI_{(n-1)}$ : Wholesale Price Index for April of (n-1)<sup>th</sup> year

$WPI_{(n-2)}$ : Wholesale Price Index for April of (n-2)<sup>th</sup> year

$IRC_{(n-1)}$ : Average Annual Inflation rate for indexed energy component in case of captive coal mine source for (n-1)<sup>th</sup> year

$Pd_{(n-1)}$  : Weighted average price of High Speed Diesel for (n-1)<sup>th</sup> year

$Pd_{(n-2)}$  : Weighted average price of High Speed Diesel for (n-2)<sup>th</sup> year

2. Consequent up on adoption of Regulations, Orders and Other decisions of erstwhile APERC by TSERC vide its Regulations number 1 of 2014, the Variable Cost for a) Biomass, b) Bagasse and c) Industrial waste to Energy have been adopted Rs.4.28/ Unit, Rs.4.28/ Unit and Rs. 2.73/ Unit respectively for FY 2014-15. To arrive at the variable cost for FY 2015-16, Fuel Price Escalation Factor was determined as per the said CERC mechanism and given below for reference.

Sl. No.	Particulars		FY 15-16
1	<b>Fuel handling Cost</b>	a	0.2
		WPIIn-1	180.80
		WPIIn-2	171.30
		Escalation	0.21
2	<b>Fuel Cost</b>	b	0.6
		IRCn-1	7.50%
		Escalation	0.64
3	<b>Transportation</b>	c	0.2
		Pdn-1	231.13
		Pdn-2	210.91
		Escalation	0.219
4	<b>Total Escalation</b>		7.53%

3. The comments, suggestions and objections if any, shall be filed within 14 days from today, that is on or before 17:00 Hours of 10.06.2015. The same may be addressed to the Commission Secretary at the address of TSERC given above. No extensions of time of any kind will be allowed and the Commission will proceed to finalise the escalation rate, by considering all the suggestions, comments and objections if any received pursuant to this notice. The suggestions can also be sent by e-Mail to [secy@tserc.gov.in](mailto:secy@tserc.gov.in)

**Sd/-**  
Commission Secretary

Place: Hyderabad  
Date: 27-05-2015.