



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

O. P. No. 6 of 2016

&

O. P. No. 7 of 2016

Dated: 31.12.2016

Present

Sri. Ismail Ali Khan, Chairman

Sri. H. Srinivasulu, Member

In the matter of amendment to the order issued on Cross Subsidy Surcharge

Southern Power Distribution Company of Telangana Limited (TSSPDCL)

Northern Power Distribution Company of Telangna Limited (TSNPDCL)

... Petitioners.

AMENDMENT ORDER

The Commission, upon filing of the retail supply tariff proposals by the TSDISCOMs for the year 2016-17, requiring determination of Retail Supply Tariff and Cross Subsidy Surcharge, determined the Retails Supply Tariffs and Cross Subsidy Surcharge for the year 2016-17.

2. The Government of Telangana State vide Lr.No.608/Pr.(A2)/2016, Dt;17.12.2016has given a policy direction under section 108 of the Electricity Act, 2003 to adopt the Telangana Solar Power Policy, 2015 and AP Solar Power Policy,2012 and make necessary amendments to the orders for implementation of the same by the TSDISCOMs and the direction is reproduced as under:

“I am to invite attention to the references cited and in reply to the TSERC Lr.No.L-46 / DD (LAW) / 4, Dt: 19.11.2016, the Government after careful consideration of the matter hereby clarifies that the Government agree to reimburse the loss caused to the TSDISCOMs due to exemption of cross subsidy surcharge & wheeling charges as required u/s 65 of Electricity Act,

2003 subject to the availability of funds and as per the provision of the Solar Policy, 2015.

2. With reference to the para 14(b) of the TSERC letter 4th cited, it is further clarified that the wheeling charges for units consuming within the State has to be exempted as per the provisions of “Telangana Solar Power Policy, 2015”. The plants that have been commissioned under “A.P. Solar Power Policy, 2012” shall also be exempted from payment of wheeling charges as per A. P. Solar Power Policy, 2012.

3. Therefore, it is requested to place the matter before the Hon’ble Commission for passing the appropriate orders urgently regarding exemption of cross subsidy surcharge and wheeling charges.”

3. In view of the direction of the Government of Telangana, the Commission after careful consideration of the matter, decided to amend the order passed by it on 23.06.2016, for exemption from payment of Cross Subsidy Surcharge by the Solar Power Projects covered under the AP Solar Power Policy, 2012 and the Telangana Solar Power Policy, 2015.

4. Therefore, the order, dated: 23.06.2016 is hereby amended to the extent given below:

After paragraph 2.27 the following paragraph shall be added, namely:

“Provided that this Cross Subsidy Surcharge shall not be applicable to the Solar Power Projects as per the policy directive of the Govt. of Telangana as given below:

| Sl.No. | A.P. Solar Power Policy, 2012 | Telangana Solar Power Policy, 2015 |
|---------------|---|--|
| 1 | Cross Subsidy Surcharge | |
| | <i>Cross subsidy surcharge shall not be applicable for Open Access obtained for third party sale within the state subject to the industries maintaining their demand within its contracted demand with the DISCOMs. It is not applicable for captive use.</i> | <i>For SPP located within the state and selling power to third parties within the state, 100% exemption shall be provided on the cross subsidy surcharge as determined by TSERC for five years from the date of commissioning of the SPP.”</i> |

Provided further that The Govt. of Telangana shall reimburse the Discoms, the sum of money accrued due to the exemption of the Cross Subsidy Surcharge to the Solar Power Projects as stated in the first proviso to the para 2.27. In the event of non-reimbursement by the Govt. of Telangana of the Cross Subsidy Surcharge so exempted, the Discoms shall continue to levy the Cross Subsidy Surcharge as applicable before this amendment plus the sum accrued as arrears from such consumers who are exempted under this amended order.”

5. The rest of the order dated: 23.06.2016, remains unaltered.

This order is corrected and signed on this the 31st day of December, 2016.

Sd/-
(H. SRINIVASULU)
MEMBER

Sd/-
(ISMAIL ALI KHAN)
CHAIRMAN

// CERTIFIED COPY //