



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

O. P. No. 19 of 2017

Dated: 15.06.2018

Present

Sri. Ismail Ali Khan, Chairman

Between:-

1. Southern Power Distribution Company of Telangana Limited,
Corporate office, Mint Compound, Hyderabad.
2. Northern Power Distribution Company of Telangana Limited,
Corporate Office, Vidyut Bhavan, Hanumakonda, Warangal.

.... Petitioners

AND

- Nil -

.... Respondent

This petition came up for hearing on 02.05.2018. Sri. Y. Rama Rao, standing counsel for the petitioners along with Sri. M.V.R Prasad, Advocate appeared on 02.05.2018. The petition having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

The TSDISCOMs (Petitioners) have filed a petition under sections 86 (1) (e) and 62 of the Electricity Act, 2003 (Act, 2003) read with Regulation No. 1 of 2012 as adopted by the Commission alongwith Regulation No. 1 of 2017 being the third amendment to the Interim Balancing Settlement Code for Open Access Transactions, which is Regulation No. 2 of 2006 seeking determination of the pooled cost for the FY 2016-17 to be considered in FY 2017-18.

2. The petitioners pleaded that the Commission, after its formation during the year 2014 and also with the powers conferred under Section 181 of the Act,

2003 issued Regulation called as TSERC (Adoption) Regulations notified as Regulation No. 1 of 2014, dated 10.12.2014, by which it adopted all regulations, decisions, directions or orders, all the licensees and practice directions etc. issued by the erstwhile APERC as in existence and in force until any of the Regulation / order / direction etc. are altered, repealed or amended having the jurisdiction of State of Telangana, which inter alia, included the Regulation 1 of 2012, i.e., Renewable Power Purchase obligation i.e., RPPO (Compliance by Purchase of Renewable Energy / Renewable Energy Certificates) Regulation. Subsequently the Commission also issued Regulation No. 1 of 2017 (Third Amendment to Interim Balancing and Settlement Code for Open Access Transactions Regulation No. 2 of 2006), wherein it has stipulated under the Appendix-3 that the unutilized banked energy shall be considered as deemed purchase by DISCOM(s) at the average pooled power purchase cost as determined by the Commission for the relevant year.

3. The petitioners pointed out that as per clause (k) of Section 2 of Regulation 1/2012 [clause 2.12 Pooled cost of Power Purchase Regulation 2/2018] the regulations 'pooled cost of power purchase means the weighted average pooled price at which the distribution licensee has purchased electricity in the previous year from all the long term energy suppliers, excluding the purchases based on liquid fuel, provided that the purchases from traders, short term purchases and purchases from renewable sources shall not be taken into account while determining pooled cost of power purchase.

4. It is further stated that the RE generator engaged in the business of Renewable Energy Certificates (REC), as per Regulation No. 1 of 2012 may conclude a long term Power Purchase Agreement (REC PPA) at 'Pooled Cost' that may be determined by the Commission year on year.

5. Apart from the above, the petitioners stated that the Government of Telangana launched Telangana State Solar Power Policy 2015 in line with its new Industrial policy called TS-iPASS with effect from 01.06.2015, wherein the solar net metering facility, besides other incentives were announced applicable for a period of 25 years. As per the said policy, the consumer who adopts the

solar net metering facility would be paid at the tariff of 'Pooled Cost' determined by the Commission, subject to monthly billing and settlement in a year.

6. With a view to determine 'Pooled Cost', the Telangana State Power Distribution Companies, viz., TSSPDCL, TSNPDCL have submitted the details of the total power purchases made in the previous FY 2016-17 from all the long term energy suppliers, excluding the purchases based on liquid fuel purchases, the purchasers from the traders, short term purchases and purchases from the renewable energy sources, to facilitate the Commission to determine the pooled cost as per clause (k) of Section 2 of Regulation 1/2012 [clause 2.12 Pooled cost of Power Purchase Regulation 2/2018]. The petitioners claimed that based on this criteria, the average power purchase pooled cost works out to Rs. 4,093 / KWH.

7. The petitioners prayed for "determination of the average Pooled Power Purchase Cost in respect of power purchases made during the Financial Year 2016-17 excluding purchases from projects based on liquid fuel and short term purchases during the FY 2017-18."

8. I have heard the counsel for the petitioners and perused the record.

9. To determine the issue, the relevant provision clause (k) of Section 2 of Regulation No. 1/2012 [clause 2.12 Pooled cost of Power Purchase Regulation 2/2018] of the regulation is reproduced below for proper appreciation.

"Pooled Cost of Power Purchase' means the Weighted Average Pooled price at which the Distribution Licensee has purchased electricity in the previous year from all the long term energy suppliers excluding the purchases based on liquid fuel.

Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining Pooled Cost of Power Purchase."

10. The Discom submitted the following information when sought by the Commission:

“The Hon’ble TSERC determined the fixed cost of TSGENCO stations in MYT order 2014-18 and the same is considered in Retail Supply Tariff Order for the year 2016-17. TSPCC / TSDISCOMS admitted the same as approved by the Hon’ble Commission. The higher average cost is due to lesser generation in Lower Jurala and Pulichitala due to non-availability of water in these projects.

Further, it is also requested to exclude the cost of these stations, while determining the pooled cost, as the stations are not reflecting the fair cost due to lesser generation.”

11. Clause 2.12 of Regulation 2 of 2018 reproduced supra is clear that ‘weighted average pooled price at which the Distribution Licensee has purchased electricity in the previous year from all the long term energy suppliers has to be taken into consideration for arriving at the pooled cost. No other interpretation of the clause is permissible.

12. The data furnished by the TSDISCOMS in the present application has been examined applying the definition of ‘Pooled Cost of Power Purchase’ and on its basis, the Commission hereby determines the Pooled Cost of Power Purchase for FY 2016-17 to be considered for FY 2017-18 as Rs.3.979/kWh. The details of calculation are shown in the annexure to this order.

This order is corrected and signed on this the 15th day of June, 2018.

**Sd/-
(ISMAIL ALI KHAN)
CHAIRMAN**

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Power Purchase during FY2016-17 - TSPCC to be considered for Avg Pooled Cost for 2017-18

Station	TOTAL			Amount
	Energy	FC	VC	
CGS				
NPC Kaiga - I & II	497426659	0	1690559644	1690559644
NPC Kaiga - III & IV	464506485	0	1450789405	1450789405
NPC-MAPS/Kudankulam	139831642	0	313126684	313126684
NLC ST-I	319137674	231752554	851268280	1083020834
NLC ST-II	565597711	415526273	1510210412	1925736685
NTPC(ER) - Farakka	0	-27598	0	-27598
NTPC(ER)-Kahalgaon	0	954399	0	954399
NTPC(ER)-Talcher-I	0	416382	0	416382
NTPC(SR) I & II	2370935226	-257874846	5160669610	4902794764
NTPC(SR) ST III	586353877	547847681	1284378484	1832226165
NTPC-Simhadri -I	3689826268	3463021628	10219831476	13682853104
NTPC-Simhadri -II	1223929021	2710605624	3389244377	6099850001
NTPC-Talcher-ST II	1531838491	1260170774	2639544440	3899715214
NTECL - VALLURU	597935173	1297690894	1492019459	2789710353
NLC Tamilnadu Power Ltd	751317236	1400334469	1942216485	3342550954
Sub-TOTAL	12738635463	11070418234	31943858756	43014276990
APGPCL ST-I	13321781	17782005	34724963	52506968
APGPCL ST-I & II	47154066	25931497	110623828	136555325
TOTAL	60475847	43713502	145348791	189062293
IPPs	0	0	0	0
Reliance	0	0	0	0
GVK	0	0	0	0
SPGL	0	0	0	0
M/s Thermal Powertech 570MW	4181645608	10540492867	7770623787	18311116654
LANCO	0	0	0	0
GVK-Expansion - II	0	0	0	0
Vemagiri	0	0	0	0
Gautami	0	0	0	0
Konaseema	0	0	0	0
GMR-Rajahmundry	0	0	0	0
Sub-TOTAL	4181645608	10540492867	7770623787	18311116654
MPPS/IPPs Thermal	0	0	0	0
Thermal Powertech 269.45 Mw	1912123055	3301814003	3516853064	6818667067
TOTAL IPPs/MPPs	6093768663	13842306870	11287476851	25129783721
KTPS(ABC)	1689384785	2091021791	4575268341	6666290132
KTPS V (D)	1374656859	1193487886	3057206235	4250694121
KTPS VI	1361199511	2945199996	3632018565	6577218561
RTS-B	217641461	273800004	664280753.5	938080757.5
Kakatiya Stage-I	1312285034	2943300000	3365771050	6309071050
Kakatiya Stage-II	3086245174	8358100566	7687398890	16045499456
Kakatiya Stage-II	82654169	102721943	194237297.2	296959240.2
TSGENCO-TOTAL	9124066993	17907632186	23176181132	41083813318
VTPS(I,II,III)	4317515126	3535399560	13355829204	16891228764
VTPS IV	2054936911	2537787876	5703323803	8241111679
RTPP-I	1559213755	1442581416	5579371189	7021952605
RTPP-ST II	1563519428	2290325004	5583725809	7874050813
RTPP -ST III	804396784	1535110536	2878568051	4413678587
APGE-Hydel-Interstate	98825835	251047514	0	251047514
APGENCO-TOTAL	10398407838	11592251906	33100818056	44693069962
SINGARENI CCL U1	2377720000	3024335200	4586229120	7610564320
SINGARENI CCL U2	1494434000	2072830500	4501879484	6574709984
TOTAL	42287508804	59553488398	108741792190	168295280588
Avg.(Rs./Kwh)				3.979