



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

O. P. No. 21 of 2023

&

I. A. No. 5 of 2023

Dated 09.10.2023

Present

Sri. T. Sriranga Rao, Chairman
Sri. M. D. Manohar Raju, Member (Technical)
Sri. Bandaru Krishnaiah, Member (Finance)

Between:

1. Southern Power Distribution Company of Telangana Limited,
Corporate Office, H.No.6-1-50, Mint Compound,
Hyderabad 500 063.
2. Northern Power Distribution Company of Telangana Limited,
Corporate Office, H.No.2-5-31/2,
Vidyut Bhavan, Nakkalagutta, Hanamkonda,
Warangal 506 001.

... Petitioners.

AND

- Nil -

... Respondents.

The petition came up for hearing on 21.08.2023. Sri. Mohammad Bande Ali, Law Attaché for petitioners has appeared on 21.08.2023. The petition and the application having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

The Southern Power Distribution Company of Telangana Limited (TSSPDCL) and the Northern Power Distribution Company of Telangana Limited (TSNPDCCL) (TSDISCOMs or Petitioners) have filed a petition on 24.07.2023 under Sections 86(1)(e) read with Renewable Power Purchase Obligation (Compliance by Purchase of Renewable Energy/Renewable Energy Certificates, Regulation No.7 of 2022

seeking determination of average pooled power purchase cost in respect of power purchases made during FY 2022-23 to be considered during FY 2023-24.

2. The averments in the petition are extracted below:
 - a. It is stated that the Telangana State Electricity Regulatory Commission (TSERC) after its formation during the year 2014 with the powers conferred under Section 181 of the Electricity Act 2003 has notified 'Adoption' Regulation No.1 of 2014, dated 10.12.2014, by which it adopted all regulations, decisions, directions or orders, all the licenses 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by the erstwhile APERC as in existence and in force until any of the regulation/order/direction etc., are altered, repealed or amended having the jurisdiction of State of Telangana, which inter alia, included the Regulation No.1 of 2012 i.e., Renewable Power Purchase Obligation (Compliance by Purchase of Renewable Energy/ Renewable Energy Certificates) Regulation. Subsequently, the Commission issued Regulation No.2 of 2018 in the matter of fixing the RPPO to be met by the obligated entities from FY 2018-19 to FY 2021-22 and Regulation No.7 of 2022 fixing the RPPO to be met by the Obligated entities from FY 2022-23 to FY 2026-27.
 - . It is stated that besides 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.
 - c. It is further stated that as per the regulations pooled cost of power purchase (pooled cost) means the weighted average pooled price at which the distribution licensee has purchased electricity including the cost of self-generation, if any, in the previous financial year from all the energy suppliers on long-term and medium-term basis, but excluding the energy purchased from the renewable sources.
 - d. It is stated that the RE generator engaged in the business of Renewable Energy Certificates (REC) may conclude a long-term power purchase agreement (REC PPA) at pooled cost that may be determined by the Commission year on year.

- e. It is stated that apart from the above, the Government of Telangana launched Telangana State Solar Power Policy 2015 in line with its new industrial policy called TS-iPASS w.e.f. 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.
- f. It is stated that the accordingly, Telangana State Distribution Companies, viz., TSSPDCL, TSNPDCL submit the details of the total power purchases made in the previous FY 2022-23 from all the long-term energy suppliers, excluding the purchases based on liquid fuel purchases, the purchases from the traders, short-term purchases and purchases from the renewable energy sources, to facilitate the Commission to determine the pooled cost. The average power purchase pooled cost works out to Rs.4.78/kWh.

3. Therefore, the petitioners have sought the following prayer in the petition for consideration.

“to compute the average pooled power purchase cost in respect of power purchases made during Financial Year 2022-23 to be considered during the FY 2023-24.”

4. The petitioners have also filed an Interlocutory Application (I.A.) under Section 86 (1) (e) and Section 62 of the Electricity Act, 2003, read with Regulation No. 7 of 2022 seeking condonation of delay in filing the petition for computation of pooled cost for power purchase for FY 2022-23 to be considered for FY 2023-24 stating that as per clause 7 (2) (a) of Regulation No. 7 of 2022, the petitioner is supposed to file a petition before the Commission for determination of pooled cost of power purchase by 30th April, 2023 and is got delayed due to delay in finalization of accounts for FY 2022-23 and the delay caused is purely administrative and not intentional.

5. The Commission has heard the representative of the petitioners, perused the material and data available on record and also the information which has been called for, while examining the petition. The submissions of the representative of the petitioners and the Commission observations at the time of hearing are extracted below:

Record of proceedings dated 21.08.2023:

“... .. The representative of the petitioners stated that the petitioners are seeking determination of pooled cost for FY 2022-23 to be considered for FY 2023-24. The Commission sought to know whether the filing has been made based on the audited figures of the licensees. The representative of the petitioners has confirmed the same. In view of the submissions of the representative of the petitioners, the matter is reserved for orders.”

6. The Commission is of view that the delay occasioned in filing the petition is not under the control of the petitioner as submitted by the petitioner that it is due to delay in finalization of accounts for FY 2022-23, not intentional and is purely on administrative. Accordingly, the delay is condoned.

7. The Commission considers the submissions made by the petitioners in support of their case are acceptable to it. For considering the request of the petitioners, it is appropriate to notice the provisions of the relevant regulations. The same are extracted below:

Regulation No.1 of 2017

“8. The unutilized banked energy shall be considered as deemed purchase by DISCOM(s) at the average pooled power purchase cost as determined by TSERC for the relevant year.”

Regulation No.7 of 2022

*“2(1)(r) ‘**Pooled Cost of Power Purchase**’ means the weighted average pooled price at which the distribution licensee has purchased electricity including the cost of self-generation, if any, in the previous Financial Year from all the energy suppliers on long-term and medium-term basis, but excluding the energy purchased from the renewable energy sources;*

8. The petitioners have confirmed that the filings are made based on the audited power purchases for FY 2022-23 viz., audited final fixed cost, variable cost and energy drawals and arrived the average pooled cost of power purchases at Rs.4.78/kWh. Further, with regard to details of auxiliary consumption amounts adjusted in power purchase cost the petitioners submitted that the State generators viz., TSGENCO and Singareni Thermal Power Plant (STPP) are claiming their energy bills as per net delivered energy to TSDISCOMs (export-import) and whereas the Central Generating Stations are claiming their energy bills as per SRPC REA.

9. The data furnished by the petitioners in the present petition has been examined applying the definition of “*Pooled Cost of Power Purchase*” as specified under Clause 2(1)(r) of Regulation No.7 of 2022. On prudent check and detailed analysis of the claims of the petitioners, it is observed that the additional interest on pension bonds

claimed by TSGENCO of Rs.1288.27 crore is not included in the filings of average pooled power purchased cost for FY 2022-23 to be considered for FY 2023-24. Considering the same in the fixed cost, the total power purchase cost considered by the Commission is Rs.29,947.95 crore as against Rs.28,659.68 crore claimed by the petitioners.

10. Hence, the Commission hereby determines the pooled cost of power purchase for FY 2022-23 to be considered for FY 2023-24 as Rs.4.994/kWh. The detailed calculation sheet is appended to this order.

11. Accordingly, the O.P. and I.A. are allowed without any costs.

This order is corrected and signed on this the 9th day of October, 2023.

Sd/- (BANDARU KRISHNAIAH) MEMBER	Sd/- (M. D. MANOHAR RAJU) MEMBER	Sd/- (T. SRIRANGA RAO) CHAIRMAN
---	---	--

//CERTIFIED COPY//

APPENDIX

Pooled Cost of Power Purchase to be considered for FY 2023-24

Station	TOTAL			
	Energy	FC	VC	Amount
CGS				
NPC Kaiga - I & II	1086968163	0	3841930755	3841930755
NPC-MAPS	72727507	0	189375495	189375495
NPC-Kudankulam	351455893	0	1553845047	1553845047
NLC ST-I	68180704	49542318	180781991	230324309
NLC ST-II	102615039	66345397	273242759	339588156
Expn I	24459876	24783103	59821602	84604705
Expn II	10224701	22774852	26926511	49701363
NNTPS	442721532	803715670	975638806	1779354476
NTPC(SR) I & II	1983620952	1971382939	7795125440	9766508379
NTPC(SR) ST III	473087715	522108271	1711996441	2234104712
NTPC-Simhadri -I	3220251186	4617853185	14560231835	19178085020
NTPC-Simhadri -II	1536323393	2962699193	6718118032	9680817225
NTPC-Talcher-ST II	1711133003	1364494014	3379805083	4744299097
NTPC KUDIGI I	1134822706	3459516567	6303466450	9762983017
NTECL - VALLURU	704974970	1495088026	2506948188	4002036214
NLC Tamilnadu Power Ltd	929992183	1714343722	3845817360	5560161083
CGS	13853559523	19074647258	53923071794	72997719052
IPPs	0	0	0	0
Sembcorp Energy India Limited (570 MW)	4036607647	11205421926	11140603575	22346025501
Sembcorp Energy India Limited (269.45 MW)	2186477326	3267433699	5844868151	9112301850
IPPs	6223084973	14472855625	16985471726	31458327351
NVVNL B.P-Coal	252422275	0	1507546376	1507546376
NSM-Coal Phase II	1516376022	0	6982998564	6982998564
KTPS V (D)	3173638714	4125444967	10839481769	14964926736
KTPS VI	3462072400	4731928425	11634954376	16366882801
KTPS Stage VII	4013325952	8829262579	12360407480	21189670059
RTS-B	232187235	811659623	1004874536	1816534159
Kakatiya Stage-I	2978802022	4350962374	9896428674	14247391048
Kakatiya Stage-II	4166545829	7420720248	13518661442	20939381690
BTPS (I to IV)	5633129000	9687149917	18547425765	28234575682
TSGENCO-Hydel	5741628346	11899888415	0	11899888415
Thermal Incentive 2022-23	0	238477115	0	238477115
Non-Tariff Income - Pension Bonds		0		12882728318
water charges		372816169		372816169
TSGENCO-TOTAL	29401329498	52468309832	77802234041	143153272190
SINGARENI CCL U1&U2	8721472000	13992622999	29387087486	43379710485
				143153272190
TOTAL	59968244291	100008435713	186588409986	299479574017
Average Pooled Cost of Power Purchase (Rs./kWh)				4.994

ANNEXURE - I

The TSDISCOMs are directed

1. to certify in their petition that the claims are as per the Tariff Orders issued by the Commission.
2. to include additional interest on pension bonds, if any, in the fixed cost.

