



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
**5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500004**

**NOTICE**

**In the matter of Telangana State Electricity Regulatory Commission Second Amendment to (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No.4 of 2005**

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The erstwhile Commission has notified '*Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity*', Regulation No.4 of 2005 on 14.11.2005 (herein after referred to as the 'Principal Regulation'). The Principal Regulation states that the distribution licensee has to claim variations in uncontrollable items of Distribution Business and Retail Supply Business including power purchase cost for the year succeeding the relevant year of the control period after netting out the impact of controllable items. Further, the erstwhile Commission through Regulation No.8 of 2000 notified on 04.09.2000 amended the '*Conduct of Business*' Regulations, 1999 where under inter alia Clause 45-B viz., 'Fuel Surcharge Adjustment Formula' has been inserted and thus provided for the distribution licensee to recover from or pay to consumers, as the case may be, variations in power purchase cost through levy of fuel surcharge on a quarterly basis. Further, the said Clause 45-B was amended and substituted by notifying Amendment Regulation No.1 of 2003 on 17.07.2003. This Amendment Regulation No.1 of 2003 has been repealed vide Regulation No.2 of 2013 notified on 24.06.2014 and the provision empowering the Commission to authorize the levy of Fuel Surcharge Adjustment has been deleted. Subsequently, the erstwhile APERC permitted the licensees to include the variation in power purchase cost for a tariff year as an item cost in the succeeding year's ARR relating to Retail Supply Business by notifying the first amendment to the Principal Regulation on 07.03.2014 viz., Regulation No.1 of 2014. This Commission having been established under Section 82(1) of the Act, 2003 has notified Regulation No.1 of 2014, on 10.12.2014 being Adoption of previously subsisting Regulations, Decisions, Directions or Order, Licenses and Practice of Directions.

The distribution licensees have requested the Commission to provide mechanism of automatic pass through of fuel and power purchase cost adjustment in the tariffs in accordance with the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, dated: 22.10.2021, notified by Ministry of Power, Government of India. The distribution licensees further requested to consider the sales and revenue from sale of power to consumers as uncontrollable item.

Accordingly, the Commission, in exercise of powers conferred on it under clauses (zd), (ze) and (zf) of section 181(2) read with section 61, 62 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, hereby makes draft Second Amendment to (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No.4 of 2005 which may be called as the draft Telangana State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail sale of Electricity) Second Amendment Regulation, 2022.

In this regard, draft regulation is hosted on the website of the Commission ([www.tserc.gov.in](http://www.tserc.gov.in)). The Commission invites suggestions/ comments from all the interested persons/stakeholders. Comments and suggestions may be submitted before 5:00 PM on or before 14.12.2022 either in writing addressed to the Secretary, TSERC at the above address or by email to [secy@tserc.gov.in](mailto:secy@tserc.gov.in).

Hyderabad  
23.11.2022

Sd/-  
Secretary FAC