



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

O. P. No. 48 of 2022

Dated 22.09.2022

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 18.08.2022. Sri Mohammad Bande Ali, Law Attaché for petitioners has appeared on 18.08.2022. The matter 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 (TSNPDCL) (TSDISCOMs or Petitioners) have filed a petition on 26.04.2022 under Sections 86 (1) (e) and 62 read with Regulation No. 1 of 2017 seeking determination of average pooled power purchase cost in respect of power purchases made during FY 2021-22 to be considered for FY 2022-23.

2. The averments of 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by the erstwhile APERC as in existence and in force until any of the regulation/order/ direction etc., are altered, repealed or amended having the jurisdiction of State of Telangana, which included the Regulation No.1 of 2012 i.e., Renewable Power Purchase Obligation (Compliance by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.
 - b. 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 stated further 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 2021-22 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.4.21/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 2021-22 to be considered during the FY 2022-23.”

4. The Commission 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 18.08.2022:

“...The representative of the petitioners stated that the Commission desired that audited accounts of the petitioners be filed for considering the petition and taking a decision in the matter. The auditing of accounts is under process and the same will be submitted to the Commission shortly. The Commission made it clear that the licensees shall place before the Commission the relevant audit

reports expeditiously for enabling the Commission to decide on the matter. Having heard the representative of the petitioners, the matter is reserved for orders.”

5. The Commission considers the submission 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;

6. Accordingly, the petitioners on 01.09.2022 have submitted the information on audited power purchases for FY 2021-22 viz., audited final fixed cost, variable cost and energy drawals and arrived the average pooled cost of power purchases at Rs.4.33/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 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.

7. The data including the audited accounts for FY 2021-22 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, the Commission has considered interest on pension bonds of Rs.1079.89 crore under fixed charges as they form part of fixed cost of TS Genco stations. Further, the Commission did not allow the claims of the petitioners to the extent of the infirm power

of BTPS-IV of Rs.10.55 crore and advance income tax of Rs.28.73 crore for calculation of pooled cost. Thus, the total power purchase cost considered by the Commission is Rs.27,303.04 crore as against Rs.26,262.43 crore claimed by the petitioners.

8. Hence, the Commission hereby determines the pooled cost of power purchase for FY 2021-22 to be considered for FY 2022-23 as Rs.4.501/kWh. The detailed calculation sheet is appended to this order.

9. Accordingly, the petition is allowed without any costs.

This order is corrected and signed on this the 22nd day of September, 2022.

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

Pooled Cost of Power Purchase to be considered for FY 2022-23

Generating Station / Source	Energy	Fixed Cost	Variable Cost	Total Amount
	Units	Rs.		
TSGenco-Thermal				
RTS-B	235697915	934400000	869633665	1804033665
KTPS V	2920818850	3531000000	8317901935	11848901935
KTPS VI	2956388400	5115300000	8687867358	13803167358
KTPS Stage VII	5586645903	10318500000	14460270249	24778770249
KTPP-I	3389598509	4717800000	9835829889	14553629889
KTPP-II	3365724812	6981700000	9648945083	16630645083
BTPS	4700636000	12366500000	13197898657	25564398657
Thermal Incentive 2021-22	0	0	74199254	74199254
Total TSGenco-Thermal	23155510389	43965200000	65092546090	109057746090
Total TSGenco-Hydel	5414413089	12083800000	0	12083800000
Interest on Pension Bonds	0	10798943046	0	10798943046
Total TSGenco	28569923478	66847943046	65092546090	131940489136
CGS				
NTPC Ramagundam-I&II	2126445337	1826950941	5953011812	7779962753
NTPC Ramagundam-III	628117726	601644857	1729345129	2330989986
NTPC-Talcher-II	1558333690	1181177375	2725193283	3906370658
NTPC Kudgi-I	827897334	3048186509	3239744481	6287930990
NTPC-Simhadri-I	3185446890	4227234708	9613218486	13840453194
NTPC-Simhadri-II	1406478259	2583685498	4221786949	6805472447
Bundled Power (Coal) under JNNSM Phase-I	219984761	0	1032363829	1032363829
Bundled Power (Coal) under JNNSM Phase-II	1223345348	0	4794246399	4794246399
NTECL-Valluru	571446338	1393904958	1907814721	3301719679
NLC Tamilnadu Power Ltd	648427013	1424045028	1968224925	3392269953
NLC ST-I	359492398	279329920	955862772	1235192692
NLC ST-II	556542935	465223806	1480455747	1945679554

Generating Station / Source	Energy	Fixed Cost	Variable Cost	Total Amount
	Units	Rs.		
NNTPS	364550942	679275434	797938420	1477213855
NPC Kaiga-I& II	1106085452	0	3780730510	3780730510
NPC-MAPS	42683593	0	105612550	105612550
NPC-Kudankulam (KKNPP)	349228278	0	1449099910	1449099910
Total CGS	15174506294	17710659034	45754649923	63465308959
Others				
SEIL-(Unit 1-269.45 MW)	2145330386	3261089372	8276330317	11537419689
SEIL-(Unit 2-570 MW)	4367791656	10956528827	10334375640	21290904467
SCCL-I (Singareni)	8773305100	14434100000	23987665442	38421765442
CSPDCL (Chhattisgarh)	1631245500	4417034625	1957494600	6374529225
Total Others	16917672642	33068752824	44555865999	77624618823
Grand Total	60662102414	117627354904	155403062012	273030416918
Pooled Cost of Power Purchase Rs./kWh				4.501