



No. IEX/RA/082/21-22

22nd Nov. 2021

To,
The Chief General Manager (IPC & RAC),
TSNPDCL, H. No. 2-5-31/2,
Vidyuth Bhavan, Nakkalagutta,
Hanamakonda 506001.



Sub: Comments on Petition filed by the Northern Power Distribution Company of Telangana Limited for determination of Additional Surcharge to be levied on open access consumers for H1 and H2 of FY 2021-22

Dear Sir,

This has reference to the above cited Petition filed by the Northern Power Distribution Company of Telangana Limited and the comments invited from the stakeholders.

Our comments in this regard, on the said Petition are enclosed herewith for your kind consideration.

Yours Sincerely,


Jogendra Behera
Vice President - Market Design & Economics

Copy To:

1. The Secretary, Telangana State Electricity Regulatory Commission, D.No. 11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad 500004.

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1. Northern Power Distribution Company of Telangana Limited (hereinafter referred to as 'TSNPDCL' or 'Licensee' or 'Petitioner' or 'Discom') has filed the present Petition before the Hon'ble Telangana State Electricity Regulatory Commission (hereinafter referred to as 'Hon'ble Commission') for determination of Additional Surcharge ('ASC') of Rs. 2.01/ unit for H1 of FY 2021-22 and of Rs. 2.34/ unit for H2 of FY 2021-22. Accordingly, IEX comments in the subject petition are as under.

2. Determination of Fixed Charges:

- 2.1. TSNPDCL has computed ASC based on the fixed charges paid to the Generator in FY 2020-21 amounting to Rs. 10572.69 Crore (Rs. 5110.20 Cr (H1) + Rs. 5462.49 Cr (H2)).
- 2.2. However, the Hon'ble Commission in its order dated 09.03.2021 issued for determination of the 'pooled cost of power purchase' for FY 2020-21 has approved power purchase fixed cost of Rs. 9314.04 Crore for FY 2020-21.
- 2.3. Further, it is also observed that a new component of Interest on Pension Bonds amounting to Rs. 342.169 Crore (in each half year) is also considered by TSNPDCL while computing the fixed charges.

3. Transmission Charges considered for Computation of Additional Surcharge:

- 3.1. It is submitted that the Hon'ble Commission in its order dated 27.03.2018 for determination of ASC for FY 2018-19 has considered only the intra-state transmission charge for computing per unit transmission charge.
- 3.2. TSNPDCL for the computation of per unit transmission charges has inadvertently considered the inter-state transmission charges and SLDC charges which is not in line with the methodology approved by the Hon'ble Commission.

4. Incorrect Consideration of Distribution charges

- 4.1. As per regulation 8 of the Terms and Conditions of Open Access to Intra-State Transmission and Distribution Regulation 2005, the Hon'ble Commission has allowed open access to consumers with contracted capacity more than 1 MW. Therefore, consumers utilizing the facility of Open Access must be connected to HT network only.
- 4.2. TSNPDCL in the present petition has computed per unit Distribution Cost at Rs. 1.01/ unit. It is observed that the per unit distribution cost computed in the petitions includes the cost associated with LT network also which is contrary to the regulations laid down by the Hon'ble Commission as OA consumers are only utilizing HT network.
- 4.3. Further it is submitted that the GERC and PSERC follow similar methodology for determination of ASC and consider distribution / wheeling charge per unit at 11 kV & above only.

5. Data Deficiency

- 5.1. The Hon'ble Commission in the ASC order dated 13.12.2017, has considered the long-term available capacity inclusive of all conventional and non-conventional sources of power excluding the market purchases, for the purpose of working out the fixed cost obligation of Discoms.
- 5.2. However, due to the absence of the plant wise long term available capacity data and 15 min time block wise backed down and OA schedule data in the petition, it is not possible to verify the calculations and methodology.

6. Determination of ASC should be on based approved figures:

- 6.1. It is submitted that the Hon'ble Commission vide order dated 27.03.2021 allowed TSNPDCL to continue with the existing tariffs, CSS and ASC with effect from 01.04.2021. Accordingly, the Hon'ble Commission approved the retail supply tariffs, CSS and ASC as applicable on 31.03.2019 as per tariff order dated 27.03.2018.
- 6.2. TSNPDCL is yet to submit with the True-up petitions and the Hon'ble Commission is yet to conduct the prudence check of the claims of TSNPDCL in these petitions. Therefore, it is prudent to use approved figures for the computation of Additional Surcharge.

The Hon'ble Commission is requested to consider the above suggestions while finalizing the Additional Surcharge to be levied on open access consumers in FY 2021-22.