



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION HYDERABAD.
5th Floor, Singareni Bhavan Lakdikapul Hyderabad 500004

O. P. No. 60 of 2018

Dated:26.11.2018

Present: Sri Ismail Ali Khan, Chairman.

Between:

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

AND

-Nil -

.... Respondent.

This petition came up for hearing on 29.09.2018 in the presence of Sri. Y. Rama Rao counsel for the petitioners along with Ms. M. Pravalika, Advocate having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

M/s. Southern Power Distribution Company of Telangana Limited (TSSPDCL) and M/s. Northern Power Distribution Company of Telangana Limited (TSNPDCL) (petitioners) (TSDISCOMs) have filed a petition for determination of pooled cost of power purchase for FY 2017 – 2018 to be considered during the FY 2018 – 2019 under sec 86 (1) (e) read with sec 62 of the Electricity Act, 2003 (Act, 2003) and Regulation No. 1 of 2017 of the Commission.

2. The petitioner stated that the Commission after its formation during the year 2014 and also with the powers conferred under sec 181 of 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 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by the erstwhile APERC as in existence and in force until any of the Regulation / order / direction etc., are altered, repealed or amended having the jurisdiction of State of Telangana, which inter alia, included the Regulation 1 of 2012, that is Renewable Power Purchase Obligation that is RPPO (Compliance by Purchase of Renewable Energy / Renewable Energy Certificates) Regulation. Subsequently, this Hon'ble 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.

3. The petitioner stated besides the above regulations, 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), where in it has stipulated under the Appendix – 3 that the unutilized banked energy shall be considered as deemed purchase by DISCOMs at the average pooled power purchase cost as determined by TSERC for the relevant year. Further, it is 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 in the previous year from all the long – term energy suppliers, excluding the purchases based on liquid fuel and 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. The petitioner stated that 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 State ERC year on year. 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 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 Commission, subject to monthly billing and settlement in a year.

5. The petitioner stated that accordingly the TSDISCOMs, viz., TSSPDCL, TSNPDCL have stated the details of the total power purchases made in the previous FY 2017 – 18 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. 4.06/- Kwh.

6. The petitioner stated that in view of the above submissions, the Commission is prayed to determine the average pooled power purchase cost in respect of power purchases made during financial year 2017 – 18 excluding purchases from projects based on liquid fuel and short term purchases, to be considered during the FY 2018-19.

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

8. To determine the issue, the relevant provision under clause 2.12 of Pooled cost of Power Purchase Regulation 2 of 2018 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.”

9. 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.

10. 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 2017-18 to be considered for FY 2018-19 as Rs. 4.097 / kWh. The details of calculation are shown in the annexure to this order.

The order is corrected and signed on this the 26th day of November, 2018.

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

//CERTIFIED COPY//

Annexure-I

Power Purchase during FY2017-18 - TSPCC to be considered for Avg Pooled Cost for 2018-19				
	1.0000			
Station	TOTAL			
	Energy	FC	VC	Amount
CGS				
NPC Kaiga - I& II	1125956970	0	4071887700	4071887700
NPC-MAPS	129284493	0	361065033	361065033
NPC-Kudankulam	195607167	0	801036055	801036055
NLC ST-I	197655545	224072577	579557586	803630163
NLC ST-II	393434840	401173314	1173378847	1574552161
NTPC Shaing gains/RRAS cr	0	-2434047	-105743776	-108177823
NTPC(ER)-Farakka-Kahalgaon	0	4679	0	4679
NTPC(ER)-Talcher-I	0	1765	0	1765
NTPC(SR) I & II	2026534950	1549960193	4991470963	6541431156
NTPC(SR) ST III	569211258	535570240	1269644710	1805214950
NTPC-Simhadri -I	2752071498	3678545847	7771816667	11450362514
NTPC-Simhadri -II	811241308	2137936395	2273928212	4411864607
NTPC-Talcher-ST II	1495842393	1067733617	2375979364	3443712981
NTPC KUDIGI I	255478670	889393392	921548966	1810942358
NTECL - VALLURU	274018298	680674503	904286001	1584960504
NLC Tamilnadu Power Ltd	575542024	1610598866	1585503718	3196102585
Sub-TOTAL	10801879414	12773231341	28975360047	41748591388
APGCL ST-I	24078607	26452857	57812733	84265590
APGCL ST-I & II	80986658	52625580	191853484	244479063
TOTAL	105065265	79078437	249666217	328744653
M/s Thermal Powertech 570MW	4343505099	11544485348	9238094667	20782580015
Sub-TOTAL	4343505099	11544485348	9238094667	20782580015
MPPS/IPPs Thermal	0	0	0	0
Thermal Powertech 269.45 M	2210385468	3837070129	4057216213	7894286342
	0	0	0	0
TOTAL IPPs/MPPs	6553890567	15381555477	13295310880	28676866357
NVVNL B.P-Coal	296404044	0	1070884170	1070884170
NTPC NSM II -Coal	287901731	0	905677510	905677510
KTPS(ABC)	3038247547	4287658443	8854347695	13142006138
KTPS V (D)	2885350664	2528473982	7347981248	9876455230
KTPS VI	2999502772	4832730803	8247181061	13079911864
RTS-B	379465845	476290760	1103841161	1580131921
Kakatiya Stage-I	2940417487	4994045218	7380590133	12374635351
Kakatiya Stage-II	3707799765	7187069503	9081535302	16268604805
TSGENCO-Hydel	1399216915	10341615669	0	10341615669
Pulichintala	1463500	20964621	0	20964621
True up and Adv Itax	0	-1845085702	291160960	-1553924742
TSGENCO-TOTAL	17351464495	32823763297	42306637560	75130400858
VTSPS(I,II,III)	794271360	687438803	2407101687	3094540490
VTSPS IV	382214989	493458754	1072768320	1566227073
RTPP-I	289957716	280501942	1133720310	1414222252
RTPP-ST II	300483486	445340973	1179296214	1624637187
RTPP -ST III	131730281	298493715	512834922	811328637
APGE-Hydel-Interstate	18174720	89586624	0	89586624

APGENCO-TOTAL	1916832550	2294820812	6305721452	8600542264
SINGARENI CCL U1&U2	9003700000	14985351176	19374039046	34359390222
Chatthisgargh SPDCL	5421163750	14637142125	6505396500	21142538625
TOTAL	51738301815	92974942665	118988693382	211963636047
Avg.(Rs./Kwh)				4.097