



Telangana State Electricity Regulatory Commission

5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

Dated 27.09.2022

Present

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

O.P.No.55 of 2022

Southern Power Distribution Company of Telangana Limited (TSSPDCL)

O.P.No.56 of 2022

Northern Power Distribution Company of Telangana Limited (TSNPDCL)

... Applicants

The Southern Power Distribution Company of Telangana Limited (TSSPDCL) and the Northern Power Distribution Company of Telangana Limited (TSNPDCL) (together referred to as "Applicants or TSDISCOMs") filed petitions for determination of Additional Surcharge (AS) to be levied on Open Access (OA) consumers for H2 (2nd Half period from Oct'22 to Mar'23) of FY 2022-23 as per the directions of the Commission in its Order dated 18.09.2020 in O.P.No.23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and Tariff Policy, 2016.

The Commission, in exercise of its powers under the Electricity Act, 2003, and after considering TSDISCOMs submissions, suggestions and objections of the stakeholders, responses of TSDISCOMs to the same, issues raised during the Public Hearing held on 24.08.2022 and all other relevant material, passed the following:

COMMON ORDER

CHAPTER-1 INTRODUCTION

1.1 Background

1.1.1 Statutory Provisions: The following are the statutory provisions with regard to levy of Additional Surcharge on open access users:

- i) Section 42(4) of the Electricity Act 2003 stipulates as under -
- 42(4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an **additional surcharge** on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.*
- ii) Para 5.8.3 of the National Electricity Policy (NEP) dated 12.02.2005 notified under Section 3 of the Act, states as under:
- “... .. An **additional surcharge** may also be levied under sub-section (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access. The amount of surcharge and additional surcharge levied from consumers who are permitted open access should not become so onerous that it eliminates competition that is intended to be fostered in generation and supply of power directly to consumers through the provision of Open Access under Section 42(2) of the Act.”*
- iii) Clause 8.5.4 of Tariff Policy, 2016 notified by MoP on 28.01.2016 stipulates as under:
- 8.5.4 The **additional surcharge** for obligation to supply as per Section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.*
- iv) Clause 17.1(iv) of Regulation No.2 of 2005 stipulates as under:
- 17.1(iv) The open access user shall also be liable to pay **additional surcharge** on charges of wheeling as may be specified by the Commission from time to time under section 42(4) of the Act, in case open access is sought for receiving supply from a person other than distribution licensee arising out of his obligation to supply.*

1.1.2 In accordance with the above stated statutory provisions, the Commission vide its *Suo Moto* Order dated 18.09.2020 in O.P.No.23 of 2020 in the matter of “*Mechanism for determination of stranded capacity and framing the terms & conditions for levy of AS on open access users to meet the fixed cost of the distribution licensee arising out of its obligation of supply*”, summarized that -

- “52. *The TSDISCOMs to submit their filings for determination of AS for the 1st half of the ensuing financial year i.e., for the period from April to September of the ensuing financial year latest by 30th November of the current financial year and for the 2nd half of the ensuing financial year*

i.e., for the period from October to March of the ensuing financial year latest by 31st May of the ensuing financial year.

a) **Mechanism for Demonstration of Stranded Capacity**

- i. The 15-minute time-block data of available capacity and scheduled capacity of all generating stations having long term PPAs with the TSDISCOMs, and the scheduled capacity of OA consumers of six months period is to be taken.
- ii. In case of hydel generating stations, the scheduled capacity is to be treated as available capacity in that time block.
- iii. The lower of the surplus capacity (i.e., available capacity less scheduled capacity) and capacity scheduled by OA consumers is to be considered as stranded capacity for the 15-minute time block.
- iv. Accordingly, the average stranded capacity for six-month period due to open access has to be arrived.

b) **Approved Methodology for Computation of Additional Surcharge**

Table 1: Approved Methodology for Computation of Additional Surcharge

| Sl. No. | Description | Unit | Value |
|--------------------------|---|-------------|-------|
| {A} | Long term available capacity | MW | |
| {B} | Capacity stranded due to OA | MW | |
| {C} | Fixed Charges paid | Rs.crore | |
| $\{D\}=\{C\}\div\{A\}$ | Fixed Charges per MW | Rs.crore/MW | |
| $\{E\}=\{D\}\times\{B\}$ | Fixed Charges for stranded capacity | Rs.crore | |
| {F} | Transmission charges paid | Rs.crore | |
| {G} | Actual Energy scheduled | MU | |
| $\{H\}=\{F\}\div\{G\}$ | Transmission charges per unit | Rs./kWh | |
| {I} | Distribution charges as per Tariff Order | Rs./kWh | |
| $\{J\}=\{H\}+\{I\}$ | Total transmission and distribution charges per unit | Rs./kWh | |
| {K} | Energy consumed by OA consumers from the TSDISCOMs | MU | |
| $\{L\}=\{K\}\times\{J\}$ | Transmission and distribution charges paid by OA consumers | Rs.crore | |
| {M} | Demand charges recovered by the TSDISCOMs from OA consumers | Rs.crore | |
| $\{N\}=\{M\}-\{L\}$ | Demand charges to be adjusted | Rs.crore | |
| $\{O\}=\{E\}-\{N\}$ | Net stranded charges recoverable | Rs.crore | |
| {P} | OA sales | MU | |
| $\{Q\}=\{O\}\div\{P\}$ | Additional Surcharge | Rs./kWh | |

c) **Terms & Conditions for levy of Additional Surcharge on OA Users**

- i. The AS determined by the Commission shall be applicable to the consumers of the TSDISCOMs who avail power through OA from any source other than their respective TSDISCOMs.
- ii. The AS shall be levied on the quantum of electricity scheduled by such consumers.

- iii. *The AS shall not be levied on such OA consumers for their captive consumption to the extent of OA availed for wheeling of power from their own CPPs.*
- iv. *Exemption from payment of AS for the eligible OA consumers shall be as per the Government policy in force. The TSDISCOMs may take up the issue of making good of the revenue loss due to such exemption with the State Government for proper relief.”*

1.2 Admission of Petition and Regulatory Process

1.2.1 In accordance with the above, the petition for determination of Additional Surcharge for H2 of FY 2022-23 were to be filed latest by 31.05.2022. Accordingly, TSSPDCL and TSNPDCL have filed petitions for determination of Additional Surcharge for H2 of FY 2022-23 on 30.05.2022.

1.2.2 The Petitions for determination of Additional Surcharge for H2 of FY 2022-23 were scrutinised and found to be generally in order as required under the Conduct of Business Regulations No.2 of 2015. The Commission admitted the petitions and the same were taken on record by assigning the Original Petition (OP) numbers:

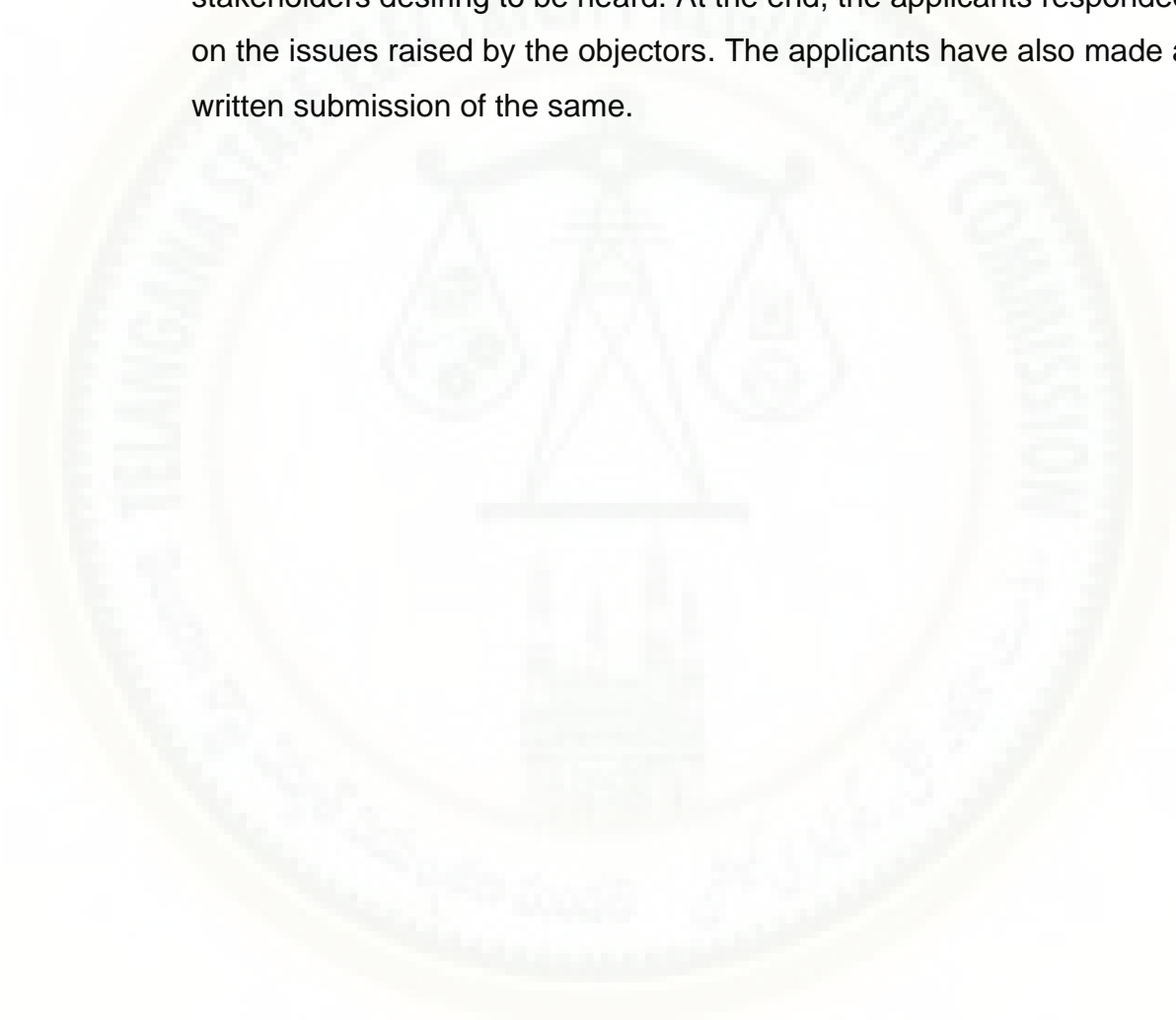
- O.P.No.55 of 2022 for TSSPDCL
- O.P.No.56 of 2022 for TSNPDCL

1.2.3 The TSDISCOMs, as directed by the Commission, published a Public Notice (Annexure-I) in two (2) English, two (2) Telugu and one (1) Urdu newspapers on 18.07.2022. The notice was to inform the general public about the TSDISCOMs filings before the Commission for determination of Additional Surcharge for H2 of FY 2022-23.

1.2.4 Overview of Stakeholders' Consultation Process:

- (a) The filings along with supporting material have been made available by the TSDISCOMs to the public at large including all the stakeholders. The filings and supporting material were also hosted on the website of the TSDISCOMs as well as on the website of the Commission.
- (b) It was also notified in the public notice that, objections/suggestions, if any, on the filings may be filed before 09.08.2022.
- (c) In response to the public notice, objections/suggestions were received from eight (8) stakeholders (Annexure-II).

- (d) The TSDISCOMs were directed to give the reply to the stakeholders in writing by sending the same to the respective stakeholder with a copy to the Commission. The replies were also posted on the website of the Commission.
- (e) The Commission has conducted the Public Hearing on 24.08.2022. The list of stakeholders who attended the Public Hearing is enclosed at Annexure-III. During the Public Hearing, the applicants made a brief presentation on its filings and then the Commission heard the stakeholders desiring to be heard. At the end, the applicants responded on the issues raised by the objectors. The applicants have also made a written submission of the same.



CHAPTER-2 SUMMARY OF FILINGS

2.1 Additional Surcharge for H2 of FY 2022-23

2.1.1 The Licensees submitted the Additional Surcharge proposals for H2 of FY 2022-23 by considering the actual parameters pertaining to H2 of FY 2021-22.

2.1.2 The average stranded capacity due to Open Access consumers for the six (6) month period (Oct'21 - Mar'22) considering the 15-minute block wise data works out as 152.29 MW as detailed below:

Table 2: Average stranded capacity due to Open Access consumers for the period (Oct'21 - Mar'22)

| Particulars (in MW) | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Average * |
|---|------------|------------|------------|------------|-----------|-----------|------------|
| Available Capacity | 9153 | 7763 | 7831 | 8417 | 9059 | 9080 | 8457 |
| Scheduled Capacity | 7858 | 6561 | 6843 | 7321 | 8332 | 8585 | 7576 |
| (Deficit)/ Surplus | 1296 | 1202 | 988 | 1091 | 727 | 495 | 969 |
| OA Scheduled Capacity | 160 | 325 | 196 | 144 | 87 | 73 | 165 |
| Stranded Capacity | 147 | 293 | 185 | 139 | 76 | 70 | 152 |
| Stranded Capacity arrived by considering minimum of backing down i.e., deficit and Open Access scheduled capacity for each 15-minute time block. | | | | | | | |
| * Average for the entire six-month period is done instead of intermittent averages as mentioned by the Commission in Additional Surcharge for H1 of FY 2022-23 order dated 22.03. 2022. | | | | | | | |

2.1.3 The fixed charges paid to the generators for H2 of FY 2022-23 is Rs.6063.77 crore and the average long term available capacity is 8546.53 MW. Thus, the average fixed charges work out to Rs.0.71 crore/MW.

2.1.4 Accordingly, the fixed charges for stranded capacity of 152.29 MW works out as Rs.108.05 crore (i.e., 152.09 MW x Rs.0.71 crore/MW).

2.1.5 The transmission charges paid by the TSDISCOMs for H2 of FY 2021-22 are Rs.2080.86 crore and scheduled energy for that period is 36015.42 MU. Thus, the actual transmission cost per unit works out to Rs.0.58/kWh.

2.1.6 The distribution wheeling charges as approved by the Commission for FY 2021-22 is Rs.1.05 per kWh.

2.1.7 Hence, the total T&D costs works out to Rs.1.63/kWh.

2.1.8 Based on the above, the demand charges that are to be adjusted/(recovered) from Open Access consumers works out to Rs.(-)144.01 crore.

2.1.9 Hence, the net stranded charges of Rs.252.06 crore are considered for calculation of Additional Surcharge.

2.1.10 The projected Open Access sales for H2 of FY 2022-23 is considered to be same as that of Open Access sales recorded for H2 of FY 2021-22 i.e., 370.34 MU and hence the Additional Surcharge is computed to be Rs.6.81/kWh.

Table 3: Additional Surcharge claimed for H2 of FY 2022-23

| Sl. No. | Description | Unit | Value |
|-------------|---|-------------|----------|
| {A} | Long term available capacity | MW | 8546.53 |
| {B} | Capacity stranded due to OA | MW | 152.29 |
| {C} | Fixed Charges paid | Rs.crore | 6063.77 |
| {D}={C}÷{A} | Fixed Charges per MW | Rs.crore/MW | 0.71 |
| {E}={D}x{B} | Fixed Charges for stranded capacity | Rs.crore | 108.05 |
| {F} | Transmission charges paid | Rs.crore | 2080.86 |
| {G} | Actual Energy scheduled | MU | 36015.42 |
| {H}={F}÷{G} | Transmission charges per unit | Rs./kWh | 0.58 |
| {I} | Distribution charges as per Tariff Order | Rs./kWh | 1.05 |
| {J}={H}+{I} | Total transmission and distribution charges per unit | Rs./kWh | 1.63 |
| {K} | Energy consumed by OA consumers from the TSDISCOMs | MU | 1993.20 |
| {L}={K}x{J} | Transmission and distribution charges payable by OA consumers | Rs.crore | 323.96 |
| {M} | Demand charges recovered by the TSDISCOMs from OA consumers | Rs.crore | 179.95 |
| {N}={M}-{L} | Demand charges to be adjusted | Rs.crore | -144.01 |
| {O}={E}-{N} | Net stranded charges recoverable | Rs.crore | 252.06 |
| {P} | OA sales | MU | 370.34 |
| {Q}={O}÷{P} | Additional Surcharge | Rs./kWh | 6.81 |

2.1.11 The TSDISCOMs requested the Commission to approve the Additional Surcharge of Rs.6.81/kWh for H2 of FY 2022-23.

2.1.12 The TSDISCOMs further submitted that the fixed charges paid for FY 2022-23 as claimed in the present filings are provisional in nature and are subject to variations in final audited accounts. The TSDISCOMs requested the Commission to consider any variation in fixed charges in the ensuing filings of Additional Surcharge as and when the final audited accounts are available.

CHAPTER-3

ISSUES RAISED BY STAKEHOLDERS, RESPONSES OF APPLICANTS AND COMMISSION'S VIEWS

3.1 Objections/suggestions made on filings

3.1.1 In response to the Public Notice issued by TSDISCOMs a total of eight (8) stakeholders [one (1) stakeholder within due date and seven (7) stakeholders after due date] have filed objections/suggestions on the filings for determination of Additional Surcharge for H2 of FY 2022-23. The Petitioner as directed by the Commission has filed replies on the objections/suggestions received from the stakeholders. For the sake of clarity, the objections/ suggestions raised by the stakeholders and responses of the Petitioner have been consolidated and summarised issue-wise. The Commission has concluded all the objections/suggestions of the stakeholders who made in writing as well as during the Public Hearing held on 24.08.2022 and the responses to them by the Petitioner.

3.2 General

Stakeholders' Submissions

3.2.1 It is submitted that as prescribed in Clause 8.5 of Tariff Policy Resolution dated 28.01.2016 the surcharge and additional surcharge shall not exceed 20% of the tariff applicable to the category of consumer seeking open access.

Accordingly, the present tariff of HT-I(A) Category of 33 kV consumer is Rs.7.15 per kWh. Thus the 20% of applicable tariff will be Rs.1.43 per kWh. This condition to be considered while approving the Additional Surcharge for the period from October, 2022 to March, 2023.

3.2.2 The State Commission is conferred with powers to determine Additional Surcharge on the charges of wheeling as prescribed in Section 42(4) of the Electricity Act, 2003. The same is to be considered.

3.2.3 The Tariff Policy, 2016 emphasizes upon the objective of promoting open access while ensuring that charges and conditions levied for such open access do not make it un-competitive.

3.2.4 As per Clauses 8.5.1 & 8.5.4 of the National Tariff Policy additional surcharge is applicable only when the existing power purchase commitments has been

and continues to be stranded due to open access. It is understood here that any increase or decrease in the open access volume in the State will accordingly lead to increase or decrease of the Additional Surcharge.

- 3.2.5 It can be observed additional surcharge for H2 of FY 21-22 is Rs.0.96/kWh & H1 of FY 22-23 is Rs.1.15/kWh. Despite continuous decrease in open access volume in the past years the additional surcharge is continuously increasing, which is contradictory to the National Tariff Policy and definitely not in the interest of State consumers.

TSDISCOMs' Replies

- 3.2.6 TSDISCOMs believe that the capping limit of 20% of tariff applicable to category of consumer, as prescribed in the National Tariff Policy Resolution 28.01.2016, applies to Cross Subsidy Surcharge only, and doesn't hold good for Additional Surcharge.
- 3.2.7 The Commission in its order in O.P.No.23 of 2020 dated 18.09.2020 and latest Additional Surcharge order for H1 of FY 2022-23 dated 22.03.2022 have adhered to the Section 42(4) of Electricity Act, 2003.
- 3.2.8 The Commission in its order in O.P.No.23 of 2020 (page 12) opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 for FY 2022-23 has also considered the same methodology.
- 3.2.9 Hence, the licensee derived the Additional Surcharge for H2 of FY 2022-23 in consonance with the methodology from the aforementioned order.

Commission's View

- 3.2.10 The methodology for determination of Additional Surcharge was approved taking into consideration the provisions of the Electricity Act, 2003 and the Tariff Policy, 2016.

3.3 Stranded Capacity

Stakeholders' Submissions

- 3.3.1 The TSDISCOMs have considered available capacity and scheduled capacity in determination of Additional Surcharge. Had the total contracted capacity

been considered, the Additional Surcharge would work out to be much lower value.

- 3.3.2 The capacity of Non-Conventional Energy (NCE) plants has to be considered in arriving at stranded capacity.

TSDISCOMs' Replies

- 3.3.3 In accordance with the approved methodology, the long-term available capacity has to be considered in the determination of Additional Surcharge.

Commission's View

- 3.3.4 The Commission has determined the stranded capacity in line with the approved methodology.

3.4 Fixed Charges

Stakeholders' Submissions

- 3.4.1 The Commission has considered the Fixed cost figures filed by the TSSPDCL for approval of Retail Supply Tariff for FY 2022-23. The same is extracted here:

Table 4: Fixed cost figures filed by TSSPDCL

| Source | TSSPDCL | | | | |
|--------------|-----------------|-----------------|-----------------|----------------|-----------------|
| | Quantum | Fixed Cost | Variable Cost | Other Cost | Total |
| | MU | Rs. crore | Rs. crore | Rs. crore | Rs. crore |
| TSGenco | 22015.90 | 4964.12 | 5336.87 | 1011.82 | 11312.81 |
| CGS | 13756.92 | 1871.10 | 3852.95 | 0.00 | 5724.04 |
| Others | 17329.18 | 3246.59 | 4313.32 | 46.00 | 7605.92 |
| NCE | 6271.16 | 0.00 | 3161.69 | 0.00 | 3161.69 |
| D-D purchase | | | | | 0.00 |
| D-D sale | -4074.07 | | -1393.26 | | -139326 |
| Total | 55299.08 | 10081.80 | 15271.57 | 1057.82 | 26411.20 |

- 3.4.2 It is pertinent to note that the TSSPDCL has claimed the Fixed Cost for FY 2022-23 of Rs.10081.80 crore for 59373.16 MU (55299.07 + 4074.07). Accordingly, the Fixed cost per kWh will work out to Rs.1.70 per kWh for 12 months, for 6 months it will be Rs.0.85 per kWh. The calculation is as follows:

Rs.10081.80 crore/59373.16 MU x 10 = Rs.1.70 per kWh.

This fact to be considered to arrive the fixed cost of TSSPDCL while approving the Additional Surcharge for the period from October, 2022 to March, 2023.

- 3.4.3 The TSDISCOMs in the Additional Surcharge petition has proposed fixed charges paid at Rs.6063.77 crore for long term available capacity of 8546.53 arriving at Rs.0.71 crore/MW for second half of FY 2021-22. The Commission

in the Order in O.P.No.61&62 of 2021 for determination of Additional Surcharge dated 22.03.2022 has approved the fixed charges paid at Rs.6004.53 crore for long term available capacity of 9227.98 MW arriving at Rs.0.65 crore/MW for first half of FY 2021-22.

- 3.4.4 It is observed that there is huge increase in fixed cost from H1 of FY 2021-22 to H2 of FY 2021-22 with decrease in the total available capacity. Further, the TSDISCOMs have proposed Interest on Pension Bonds of Rs.805 crore in H2 of FY 2021-22 whereas the Commission approved Interest on Pension Bonds of Rs.342 crore which is an increase of more than 200% in the Interest on Pension Bonds.
- 3.4.5 As per the GOI PRAAPTI Portal total power procurement dues of Telangana TSDISCOMs has increased from Rs.12914 crore at the start of Oct 2021 to Rs.15341 crore at the end of March 2022. Further, Telangana TSDISCOMs have paid only 6% of the amount against the current dues. The table below shows the monthly billed amount and amount paid by the TSDISCOMs for power procurement as per PRAAPTI Portal.

Table 5: Payment details as per PRAAPTI Portal

| | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Amount billed to TSDISCOMs | 1212.1 | 1830.45 | 1281.94 | 1414.26 | 1509.87 | 1266.84 |
| Amount paid by TSDISCOMs Against current dues | 107 | 103 | 97 | 28 | 64 | 146 |

- 3.4.6 It can be observed from the above table that the TSDISCOMs is collecting the electricity tariff and additional surcharge for payment of power purchase bills however, it is not clearing the present dues.
- 3.4.7 The Commission may review the approach and consider the actual fixed charges paid for that period while computing the Additional Surcharge. The Commission is also requested to direct the TSDISCOMs to provide breakup of fixed charges components considered so as to confirm that no charge on account of delayed payment surcharge or change in law or any other non-fixed cost is considered.
- 3.4.8 The TSDISCOMs in the Additional Surcharge petition have estimated recovery of Rs.179.85 crore as demand charges from Open Access consumers against 1993.20 MU of Energy consumed by open access consumers from

TSDISCOMs in H2 of FY 2021-22, which comes out to be Rs.0.90/unit. The Commission in the Order in O.P.No.61 & 62 of 2021 for determination of Additional Surcharge dated 22.03.2022 approved estimated recovery of Rs.186.90 crore as demand charges from Open Access consumers against 1785.41 MU of Energy consumed by open access consumers from TSDISCOMs in H2 of FY 2021-22, which comes out to be Rs.1.04/unit.

3.4.9 Despite the fact that there was no change in the Tariff for FY2021-22 the TSDISCOMs has estimated reduced fixed cost recovery from the Open Access consumers leading to increase in Additional Surcharge.

3.4.10 From the past Additional Surcharge Orders of the Commission it can be observed that the estimated fixed cost recovery of the TSDISCOMs is shown to be continuously decreasing leading to increase in Additional Surcharge. The table below shows the estimated fixed cost recovery and per unit of fixed cost as approved by the Commission in the past Additional Surcharge orders.

Table 6: Fixed cost recovery

| Order dated | AS Order for FY 2017-18 | AS Order for FY 2018-19 | AS Order for H2 of FY 2021-22 | AS Order for H1 of FY 2022-23 | AS Petition for H2 of FY 2022-23 |
|--|-------------------------|-------------------------|-------------------------------|-------------------------------|----------------------------------|
| | 13.12.2017 | 27.03.2018 | 24.12.2021 | 22.03.2022 | |
| Energy consumed by Open Access consumers from TSDISCOMs (MU) | 1209.78 | 1448.97 | 1590.80 | 1785.41 | 1993.20 |
| Demand charges recoved by TSDISCOMs from Open Access Consumer (Rs. in crore) | 234.54 | 223.22 | 185.60 | 186.90 | 179.95 |
| Per Unit Chrges recoved from Open AccessConsumer s (Rs./unit) | 1.94 | 1.54 | 1.16 | 1.04 | 0.90 |
| Change in Tariff | No change in Tariff | | | | |

3.4.11 Thus, the Commission has to re-consider its view on allowing levy of expenses on account of TSDISCOMs inefficiency for computation of Additional Surcharge.

3.4.12 Further, the formula for Additional surcharge is to be re-examined to rationalize the same in accordance with Electricity Act of bringing the cross subsidy & additional surcharges to NIL over a period of time.

TSDISCOMs' Replies

3.4.13 The Commission in its order in O.P.No.23 of 2020 (page 12) opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 for FY 2022-23 considered the Fixed costs as per the actual figures for H1 of corresponding previous year.

3.4.14 Hence, the licensee considered the Fixed cost paid as per the actuals for H2 of FY 2021-22 for computing Fixed charges per MW in conformity with aforementioned order. Having said that, the computation done by the objector for arriving at a rate for 6 months, is incorrect (i.e., considering half of 12 months per unit rate).

3.4.15 TSDISCOMs state that the increase in the fixed costs from H1 of FY 22 to H2 of FY 2022, is approximately Rs.60 crore (~ 0.99%). The licensee has considered the Fixed cost paid as per the actuals of H2 of FY 2021-22 for computing Fixed charges per MW in conformity with the previous TSERC orders on Additional Surcharge determination.

3.4.16 It is to be clarified that the interest on pension bonds of Rs.805 crores in H2 of FY 2021-22 is as per the actual claims made by the generators, whereas the amount of Rs.342 crore was approved by Commission for FY 2018-19, which has a time period gap of 3 years.

3.4.17 The Commission in its order in O.P.No.23 of 2020 opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 2022-23 and H2 FY 2021-22 have also considered the actual fixed charges payable by the TSDISCOMs.

- 3.4.18 Further, there is no rationality in considering actual fixed charges paid, as the TSDISCOMs are liable to make the power purchase payments to the generators for the relevant period.
- 3.4.19 TSDISCOMs are continuously making efforts to improve its financial condition and make the power purchase payments on a timely basis, to its generators.
- 3.4.20 The licensees have already provided the complete breakup of individual fixed cost of each generating station that has been considered in the determination of Additional Surcharge for H2 FY 2023. TSDISCOMs would adhere to the instructions of the Commission for any further requirement of additional information.
- 3.4.21 From the table given by the petitioner, the first 2 columns (FY 18, FY 19) refer to full year data of Energy Consumed by Open Access consumers from TSDISCOMs (MU) and Demand charges recovered by TSDISCOMs from Open Access consumers (crores), while the rest are for half year period (H2 FY 22, H1 FY 23, H2 FY 22). So, comparison is not appropriate.
- 3.4.22 Also, it is to be clarified that the methodology approved by the Commission, ensures the pass-through of any under recovery of demand charges, while determining the Additional Surcharge. Such under recovery is due to the increase in T&D charges to be paid (due to increase in per-unit rate and/or increase in energy consumed from TSDISCOMs) or decrease in the actual demand charges recovered.
- 3.4.23 The Objection comes under the purview of the Commission.
- 3.4.24 TSDISCOMs would adhere to the instructions of the Commission for any further requirement of additional information. TSDISCOMs would abide by the orders passed by the Commission, regarding the determination of Additional Surcharge.

Commission's View

- 3.4.25 The Commission has considered the actual fixed cost in line with the approved methodology after prudent check.

3.5 Transmission Charges

Stakeholders' Submissions

- 3.5.1 ISTS & STU transmission Charges considered for computation of Additional Surcharge ought to include the refund (adjustment) of corresponding charges to TSDISCOMs/STU.
- 3.5.2 The TSDISCOMs have, for the computation of per unit transmission charges, considered the inter-state, intra-state transmission charges and SLDC charges. In its order dated 27.03.2018 for determination of Additional Surcharge for FY 2018-19, the Commission considered only the intra-state transmission charge for computing per unit transmission charge which is the correct approach. It is submitted that the same may result in overburdening of ISTS & STU charges on the consumers for the following reasons:
- 3.5.3 The inter-state transmission cost is on account of the transmission charges being paid by the TSDISCOMs for long/medium term access to the ISTS system. Such charges to be paid by the TSDISCOMs are notified by NLDC.
- 3.5.4 Any consumer availing open access to the ISTS system also pays its ISTS cost for the power procured through open access, the benefit of which accrues to the state in reduction of their POC charges. This reduction is due to the following Clause 11(3) of the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020-21.
- 3.5.5 Transmission charges for Short Term Open Access:
- (1) Short Term Open Access Rate (in Rs./kWh) shall be published for each billing month by the Implementing Agency which shall be calculated State wise as: Transmission charges of the State for the billing month (in rupees) / (7200 x the quantum, in MW, of Long Term Access plus Medium Term Open Access of the State for the corresponding billing period)
 - (2) Transmission charges for Short Term Open Access shall be payable by generating stations and embedded entities located in the State, as per the last published Short Term Open Access Rate for the State, along with other charges or fees as per Open Access Regulations, 2008 and the Transmission Deviation charges, if any, as per these regulations.
 - (3) Transmission charges for Short Term Open Access paid by an embedded intra-State entity during a month shall be reimbursed in the following billing month to the State in which such entity is located. Similarly, the embedded consumers pay STU charges on all open access transactions.

3.5.6 It is in view of the above that inclusion of ISTS & STU charges again for computation of Additional Surcharge as claimed by the Petitioner, will lead to double levy of the same charge on open access consumers. It is observed that the Petitioners have claimed inter-state transmission charges and SLDC charges, which is violative of the set principle. Thus, the Commission may re-consider its view on allowing inclusion of ISTS & STU charges in the Additional Surcharge.

3.5.7 Consumer availing interstate Open Access also pays against the cost of ISTS system for the power availed. A snip of payment schedule of an Open access consumer is presented below for reference purpose only:

Table 7: Payment Schedule

| Payment Schedule: | | Payment Due Date: 24/12/2021 | |
|---|-----------------------------|------------------------------|---------------|
| (i) Transmission Charges | | | |
| Transmission Systems | Rates (Rs./MWh) | MWh | Total (Rs.) |
| (a) Intra-State | | | |
| UPPTCL | 242.1 | 144 | 34862 |
| (b) Inter-State (ISTS Charges) | | | |
| ISTS Charges (Madhya Pradesh) | 448 | 144 | 64512 |
| Total of (i) | | | 99374 |
| (ii) Operating Charges | | | |
| RLDC/SLDC | Rates (Rs./Days)/ (Rs./MWh) | No. of Days/MWh | Total (Rs.) |
| WRLDC | 1000 | 1 | 1000 |
| NRLDC | 1000 | 1 | 1000 |
| Uttar Pradesh SLDC | 1000 | 1 | 1000 |
| Total of (ii) | | | 3000 |
| (iii) Non-Refundable Application Fee (if not paid earlier) | | | 5000 |
| Grand Total (i+ii+iii) | | | 107374 |

3.5.8 In addition to the above, the Commission is requested to conduct the required prudence of the fixed costs claimed for H2- FY 22-23 while finalizing the Additional Surcharge to be levied on open access consumers and request the Commission to re-consider its view on allowing inclusion of ISTS charges in the Additional Surcharge. One of the stakeholders has requested to allow the Transmission charges duly considering the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020.

TSDISCOMs' Replies

- 3.5.9 The Commission in its order in OP No.23 of 2020 (page 12) opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 for FY 2022-23 have also considered the ISTS transmission charges.
- 3.5.10 Hence, the licensee considered the transmission charges i.e., both intra & interstate transmission charges for computing per unit transmission charge in conformity with the aforementioned order. Moreover, the Commission also considered the same for computing the per unit transmission charge in its order for determination of Additional Surcharge for FY 2018-19, H2 for FY 2021-22 and H1 for FY 2022-23.
- 3.5.11 Further, there is no rationality in considering intra state transmission charges alone, as the TSDISCOMs have long term power purchase commitments with both intra and inter-state generators thereby utilizing the intra and inter state transmission corridors. And, further the backing down of generation is not limited to intrastate generators alone. Hence, the transmission charges that are considered in totality are justified in arriving at per unit transmission charge.
- 3.5.12 It's to be clarified that in the referred order i.e., determination of Additional Surcharge for FY 2018-19 dated 27.03.2018, the Commission considered both intra & interstate transmission charges for computing per unit transmission charge.
- 3.5.13 TSDISCOMs understands that the ISTS cost paid by the consumer availing ISTS system, benefits in reduction of POC charges for the state. However, the same benefits have been passed on to the consumer through APR filed by TSTRANSCO.

Commission's View

- 3.5.14 The Commission is in agreement with the replies given by the TSDISCOMs.

3.6 Distribution Charges

Stakeholders' Submissions

- 3.6.1 The TSDISCOMs have considered the distribution cost of Rs.1.05/kWh (LT+HT). As per Clause 8 of the (Terms and Conditions of Open Access) Regulation, 2005 [Regulation No.2 of 2005] the Commission had allowed Open Access to consumers with contracted capacity more than 1 MW viz., the consumers connected to HT network. The Open Access consumers would not have incurred the said distribution cost @Rs.1.05/unit claimed by the TSDISCOMs or distribution cost @Rs.0.87/ unit as approved by the Commission in the previous Order No.61 and 62 of 2021 dated 22.03.2022 even if they had consumed from the TSDISCOMs. Instead, they would have incurred only 30% of the total distribution cost based on the voltage wise cost approved by the Commission vide Order dated 29.04.2020 in terms of ARR determination for the wheeling business for 4th Control period (FY 2019-20 to FY 2023-24). Therefore, inclusion of distribution cost pertaining to LT network in the determination of Additional Surcharge is not justifiable.
- 3.6.2 Even the Commission in its past order regarding H1 of FY 2022-23 has approved the Additional Surcharge to be levied on Open Access Consumers by allowing the composite claim of Distribution Charges (Including HT as well as LT consumers) without any providing any rationale for the same. It is depicting a picture that Commission is allowing the TSDISCOMs to recover the LT network charges twice. First is from LT consumer in the form of tariff and second is from HT consumer in the form of Additional Surcharge.
- 3.6.3 However, while analysing the past methodology the Objector finds out that Commission in its two Tariff Orders clearly determined the voltage wise distribution charges to be levied on the Open Access consumers.
- Tariff Order - RST & Cross Subsidy Surcharge for FY 2022-23 dated 22.03.2002 (Chapter 8, Page no 192)
 - Aggregate Revenue Requirement (ARR) and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) dated 29.04.2020 (Chapter 5, Page no 59)
 - Tariff Order - RST & Cross Subsidy Surcharge for FY 2022-23 dated 22.03.2002 (Annexure 14, Page no 283)
- 3.6.4 The TSDISCOMs in the present petition has claimed Distribution Charges @Rs.1.05/ unit for computation of Additional Surcharge, the licensee has considered the approved distribution cost of FY 2021-22 by the Commission in

arriving at the per unit distribution cost of Rs.1.05 per unit in the present Additional Surcharge H2 FY 23 filings.

- 3.6.5 It is therefore submitted that consideration of payable distribution charges @Rs.1.08/unit is resulting in loading the LT system cost on Open Access consumers and burdening them disproportionately against the Tariff Order issued by the Commission. The said charges as per the ARR Order dated 29.04.2020 would be around Rs.0.36/unit or the actual cost incurred by them for HT> 11 kV consumers.
- 3.6.6 The Objector has considered the Distribution Cost per unit at the rate of Rs.0.23/unit (for 33 kV) as approved in the RST order dated 23.03.2022 for FY 2022-23 against the petitioner’s claim of Rs.1.05/unit. The same from the RST order dated 23.03.2022 is reproduced below:

Table 8: Calculation of voltage wise Distribution Charges for FY 2022-23

| Particulars | TSSPDCL | | TSNPDCL | |
|------------------|---------------------------|---------|---------------------------|---------|
| | Charge (Rs./kVA/month) | Rs./kWh | Charge (Rs./kVA/month) | Rs./kWh |
| 11 kV | 231.52 | 0.64 | 346.34 | 0.83 |
| 33 kV | 19.95 | 0.24 | 15.62 | 0.23 |
| 132 kV and above | 116.51 | 0.20 | 116.51 | 0.20 |

- 3.6.7 The same methodology has been followed in the Commission order dated 22.03.2022 w.r.t. H1 of FY 2022-23. The relevant extract is reproduced below:

“The TSDISCOMs have claimed the distribution charges of Rs.1.08/kWh by considering the total distribution cost of Rs.7363.41 crore as approved for FY 2021-22 in the Amendment Order dated 01.03.2021 and dividing the same by the power purchase quantum of 68225.31 MU, purported to be for whole year of FY 2021-22. The Retail Supply Tariffs determined in the Commission’s Order dated 27.03.2018 were continued for FY 2021-22 in the absence of separate Orders on determination of ARR for FY2021-22. Therefore, the distribution cost and the quantum of energy shall have to be considered as per the Order dated 27.03.2018.”

- 3.6.8 Therefore, the Commission has worked out the distribution charges of Rs.0.87/kWh by considering the total distribution cost of Rs.5019.19 crore and dividing the same by the power purchase quantum of 57631.27 MU, the same as approved in Order dated 27.03.2018.
- 3.6.9 It is therefore requested to consider the distribution cost as per Objector’s Assessment for the computation of Additional Surcharge.

Table 9: Distribution Cost assessment

| Particulars | Petitioner's Claim | Objector's Assessment as per RST Order dt. 23.03.2022 |
|--------------------|---------------------------|--|
| Distribution Cost | Rs.1.01/ kWh | Rs.0.23/ kWh |

TSDISCOMs' Replies

- 3.6.10 The licensee has computed the per unit Distribution cost in consonance with the Commission's order in O P.No.23 of 2020 dated 18.09.2020 and orders for Additional Surcharge for FY 2017-18 dated 13.12.2017 and Additional Surcharge for FY 2018-19 dated 27.03.2018.
- 3.6.11 The Commission considered the approved Distribution cost of FY2016-17 i.e., Rs.3,658.15 crore and of FY 2017-18 i.e., Rs.4,295.84 crore in arriving at the per unit distribution cost of Rs.0.71 per unit and Rs.0.82 per unit in the orders for Additional Surcharge for FY 2017-18 and Additional Surcharge for FY 2018-19 respectively. In a similar way, the licensee has considered the approved distribution cost of FY 2021-22 by the Commission in arriving at the per unit distribution cost of Rs.1.05 per unit in the present Additional Surcharge H2 for FY 2022-23 filings.
- 3.6.12 The objection comes under the purview of Commission. TSDISCOMs state that the distribution cost per unit is arrived by considering the total distribution cost and total power purchase quantum, which is as per the methodology approved by the Commission.
- 3.6.13 TSDISCOMs believe that the consideration of only 33 kV network charges for arriving at distribution cost per unit is inaccurate and not appropriate.
- 3.6.14 Having said that, the computation done by the objector for arriving at a rate of Rs.0.36 per unit, is incorrect (i.e., considering a portion (30%) of total distribution charges per unit rate).
- 3.6.15 TSDISCOMs would adhere to the instructions of the Commission, regarding the methodology for determination of Additional Surcharge.

Commission's View

- 3.6.16 The Commission finds merit in the suggestion of the stakeholder for exclusion of LT distribution cost for computation of additional surcharge as OA consumers will not utilise the LT network. The details of distribution cost considered are dealt in Chapter-4.

3.7 Open Access Charges more than the Average Cost of Supply

Stakeholders' Submissions

- 3.7.1 The TSDISCOMs in the present Petition has proposed Additional Surcharge @Rs.6.81/unit.
- 3.7.2 The Commission in Annexure 10 of the Retail Supply Tariff Order for FY 2022-23 dated 30.03.2022 has determined Cost of Supply for each category. It is observed from the Tariff Order that the Cost of Supply approved by the Commission for HT (Industrial Category) 33 kV and 132 kV and above is far less than the Additional Surcharge recovery proposed by the TSDISCOMs.
- 3.7.3 It seems that the TSDISCOMs by way of such proposal is making mockery of the procedure approved by the Commission for computation of Additional Surcharge. Further, the total of Additional Surcharge (proposed), CSS and wheeling charges (approved vide Tariff order for FY 2022-24) is coming out to be more than the Cost of Supply of all the HT categories.
- 3.7.4 The table below shows a comparison of Average Cost of Supply approved by the Commission vis-à-vis the Open Access Charges for all the HT categories eligible for Open Access.

Table 10: Average Cost of Supply approved vis-à-vis Open Access Charges

| In Rs./ Unit | ACoS | CSS | Wheeling charges * | Additional Surcharges | Total Charges |
|--------------|------|------|--------------------|-----------------------|-----------------------|
| HT Industry | | (i) | (ii) | (iii) | (iv) = (i)+(ii)+(iii) |
| 11 kV | 7.90 | 1.97 | 0.51 | 6.81 | 9.29 |
| 33 kV | 5.77 | 1.74 | 0.06 | 6.81 | 8.61 |
| 132 kV | 5.05 | 1.70 | 0.00 | 6.81 | 8.51 |

* Wheeling Charges determined at 85% Load Factor. Charges considered for TSSPDCL

- 3.7.5 From the above table it is clear that by making the present proposal, the TSDISCOMs is displaying its apathy towards the consumers, and exhibiting a mockery of the entire process. It is also against the right to open access to a consumer. Rather this will encourage TSDISCOMs to over recover revenue from Open Access Consumers.
- 3.7.6 Further, it is necessary to mention here that the Additional Surcharge Proposal of the TSDISCOMs is more than 150% of the weighted average Power

Purchase Cost approved the Commission vide Tariff order for FY 2022-23 dated 23.03.2022.

Table 11: Additional Surcharge proposed

| Rs./unit | TSSPDCL | TSNPDCL | Additional Surcharge (proposed) |
|-----------------------------|---------|---------|---------------------------------|
| Wtd Avg Power Purchase Cost | 4.5 | 4.46 | 6.81 |

3.7.7 The Commission is requested to take necessary steps to allow such proposals which are rationale in nature and does not allow to make mockery of the processes by way of such petitions.

3.7.8 As per submissions of another stakeholder TSDISCOMs has proposed an additional surcharge at a rate of Rs.6.81/unit for H2 of FY 2022-23. The Commission in its last RST order FY 2022-23 dated 23.03.2022 has approved voltage wise cost of supply. It can be clearly pointed out that the approved cost of supply for HT categories (33 kV and 132 kV and above) is far less than the proposed additional surcharge. The same from the RST order is reproduced below:

Table 12: Approved Cost of Supply

| Consumer Category | | Claimed | | Approved | | |
|----------------------|-----------------------------------|---------|---------|----------|---------|-------|
| | | TSSPDCL | TSNPDCL | TSSPDCL | TSNPDCL | State |
| LT Categories | | | | | | |
| LT-I | Domestic | 7.82 | 8.92 | 6.82 | 7.76 | 7.10 |
| LT-II | Non-Domestic/Commercial | 7.20 | 8.23 | 6.53 | 7.46 | 6.75 |
| LT-III | Industrial | 7.05 | 7.85 | 6.59 | 7.46 | 6.77 |
| LT-IV | Cottage Industries | 7.17 | 10.29 | 6.43 | 9.76 | 8.05 |
| LT-V | Agricultural | 9.20 | 8.96 | 8.38 | 8.34 | 8.36 |
| LT-VI | Street Lighting & PWS | 7.58 | 10.09 | 6.40 | 9.74 | 7.74 |
| LT-VII | General Purpose | 8.23 | 9.77 | 7.43 | 9.74 | 8.52 |
| LT-VIII | Temporary Supply | 8.23 | 9.77 | 9.31 | 11.65 | 9.45 |
| LT-IX | Electric Vehicle Charging Station | 8.94 | 9.77 | 6.16 | NA | 6.16 |
| HT Categories | | | | | | |
| HT-I | Industry | | | | | |
| | 11 Kv | 6.78 | 5.88 | 7.64 | 9.13 | 7.90 |
| | 33 kV | 5.82 | 5.37 | 5.76 | 5.96 | 5.77 |
| | 132 kV and above | 5.29 | 4.96 | 5.01 | 5.29 | 5.05 |

3.7.9 Even the total sum of Additional surcharge proposed, CSS as approved in RST order FY 2022-23 dated 22.03.2022 and voltage wise wheeling charges approved for FY 2022-23 is far more than the approved ACoS. A comparison

between the approved Average Cost of Supply and Open charges for HT category eligible for Open Access in tabular form is shown below:

Table 13: Comparison of Approved Cost of Supply and Open Access Charges

(All figures in Rs./kWh)

| TSSPDCL | Approved ACoS | Total Charges | Proposed Additional Surcharge | Approved CSS | Approved Wheeling Charges |
|-------------|---------------|---------------|-------------------------------|--------------|---------------------------|
| HT Industry | | (D = A+B+C) | (A) | (B) | (C) |
| 11 kV | 7.90 | 9.42 | 6.81 | 1.97 | 0.64 |
| 33 kV | 5.77 | 8.79 | 6.81 | 1.74 | 0.24 |
| 132 kV | 5.05 | 8.71 | 6.81 | 1.70 | 0.20 |

From the analysis presented in above table, it can be clearly pointed out that claim proposed by TSDISCOMs in its instant petitions is highly absurd and against the consumer interest. It is humbly requested that the Commission may conduct a thorough prudence check over the proposed claim.

TSDISCOMs' Replies

- 3.7.10 The Commission in its order in O.P.No.23 of 2020 (page 12) opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 for FY 2022-23 have also considered the same methodology.
- 3.7.11 Hence, the licensee has derived the Additional Surcharge for H2 of FY 2022-23 in consonance with the methodology from the aforementioned order.
- 3.7.12 There is no defined capping on Additional Surcharge in the approved methodology. Having said that, Commission in its Orders dated 24.12.2021 and 22.03.2022, had recognized the importance of promoting competition as enshrined in the Electricity Act, and had duly limited the final approved Additional Surcharge, in the interest of all the stakeholders.
- 3.7.13 TSDISCOMs would abide by the orders passed by the Commission, regarding the determination of Additional Surcharge.

Commission's View

- 3.7.14 The submissions of the Stakeholder and TSDISCOMs are taken note of.

3.8 Verification of fixed charges paid and recovery of demand charges

Stakeholders' Submissions

- 3.8.1 It is observed that there is trend of decreasing fixed cost recovery from past years leading to increase in Additional Surcharge (Despite of no tariff change in FY 2021-22). The observed trend is shown below:

Table 14: Trend of Additional Surcharge

| Additional Surcharge | FY 2017-18 | FY 2018-19 | H2 of FY 2021-22 | H1 of FY 2022-23 | H2 of FY 2022-23 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|---------------------|
| | Order dated 13.12.2017 | Order dated 27.03.2018 | Order dated 24.12.2021 | Order dated 22.03.2022 | Petition |
| Energy consumed by OA consumers from TSDISCOMs (MU) | 1,209.78 | 1,448.97 | 1,590.80 | 1,785.41 | 1,993.20 |
| Demand charges recovered by TSDISCOMs from OA consumers (Rs.crore) | 234.54 | 223.22 | 185.6 | 186.9 | 179.95 |
| Per unit Charges recovered from OA Consumers (Rs./unit) | 1.94 | 1.54 | 1.17 | 1.05 | 0.9 |
| Additional Surcharge (Rs./unit) | 0.51 | 0.52 | 0.95 | 1.15 | 6.81 |

- 3.8.2 The veracity of above shown data needs to be verified by the Commission to avoid any loading of inefficiency of TSDISCOMs on state Consumers in the form of Additional Surcharge.

TSDISCOMs' Replies

- 3.8.3 From the table given by objectors, the first two columns (FY 2017-18, FY 2018-19) refer to full year data of energy consumed by Open Access consumers from TSDISCOMs (MU) and demand Charges recovered by TSDISCOMs from Open Access consumers (Rs. in crore), while the rest are for the half year period (H2 of FY 2021-22, H1 of FY 2022-23, H2 of FY 2022-23). So, comparison is not appropriate.
- 3.8.4 Also it is to be clarified that the methodology approved by the Commission, ensures the pass-through of any under recovery of demand charges, while determining the additional surcharge. Such under recovery is due to the increase in T&D charges to be paid (due to increase in per unit rate and/or increase in energy consumed from TSDISCOMs) or decrease in the actual demand charges recovered.

Commission's View

3.8.5 The submissions of the Stakeholder and TSDISCOMs are taken note of.

3.9 Discrepancies in the Present Computations of Additional Surcharge for H2 of FY 2022-23

Stakeholders' Submissions

- 3.9.1 It is submitted that the petitioner has considered the figures of the period October, 2021 to March, 2022 for computing the Additional Surcharge to be determined for the period from October, 2022 to March, 2023 is not correct and in violation of the approval of this Commission in para No.52 of order dated 18.09.2020 passed in O.P.No.23 of 2020.
- 3.9.2 We also request to furnish a copy of requisition filed by the generating station wise showing the details of proposed available capacity, scheduled capacity, fixed payable to them during the relevant period and open Access consumer wise along with the details of quantity proposed to be consumed by them from open access source to enable us to determine the stranded capacity as prescribed in para No.52(a)(iii) of order dated 18.9.2020 passed in O.P.No.23 of 2020 by the Commission.
- 3.9.3 It is also requested to furnish the detailed break up of each component wise figures to be considered in Sl.No.A to Q of Methodology for Computation of Additional Surcharge.
- 3.9.4 The Petitioner in the Sl. No.(O) of computation taken the wrong figures of Rs.252.06 crore i.e., difference of (E)–(N). (E) is Rs.108.05 crore and (N) is (-)Rs.144.01 crore thus the difference will be (-)Rs.35.51 crore. Hence, the figure of (O) should be corrected to (-)Rs.35.51 crore.
- 3.9.5 Hence, the Respondents are entitled for refund of Rs.0.96 per kWh during the H2 period of Financial Year 2022-23 i.e., (-)Rs.35.51 crore /370.34 MU x 10 = Rs.0.96 per kWh.
- 3.9.6 In view of the above stated facts, the Respondent pray this Commission to pass an order for Refund of Rs.0.96 per kWh of Additional Surcharge during the period H2 of Financial Year 2022-23 i.e., from October, 2022 to March, 2023; and pass such order or orders as may deem fit by this Commission under the

circumstances of the petition in the interest of justice. Other grounds if any will be filed during proposed hearing to be held on 24.08.2022.

3.9.7 The Petitioners have claimed Rs.6063.77 crore and Rs.2080.86 crore under the head of Fixed charges paid and Transmission charges paid respectively for TSDISCOMs without providing any clarity about Fixed charges paid towards NCE power procurement.

3.9.8 The Objector while verifying the claims, has found that only TSSPDCL audited accounts are available in public domain for respective quarters. The relevant extracts are reproduced below:

3.9.9 As per Q3 Audited Accounts for TSSPDCL.

Table 15: Q3 Audited Accounts for TSSPDCL

| Power Purchase Cost | | | | |
|-----------------------------------|--------------------------|--------------------------|--------------------------|-----------------------|
| Particulars | For Q3 of 2021-22 | For Q2 of 2021-22 | For Q1 of 2021-22 | For 2021-22 |
| | (Rs. in crore) | (Rs. in crore) | (Rs. in crore) | (Rs. in crore) |
| Purchase of Power – Fixed Cost | 2,858.82 | 7.60 | 2,049.01 | 8,035.47 |
| Purchase of Power – Variable Cost | 2,870.18 | 6,270.77 | 3,390.63 | 13,662.47 |
| Transmission Charges | 335.34 | 586.53 | 587.58 | 2,565.36 |
| Other Power Purchase Costs | (135.50) | 24.00 | 14.33 | (560.24) |
| Total | 5,928.54 | 6,888.90 | 6,041.55 | 23,703.06 |

3.9.10 As per Q4 Audited Accounts TSSPDCL.

Table 16: Q4 Audited Accounts for TSSPDCL

| Power Purchase Cost | | | | | |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------|
| Particulars | For Q4 of 2021-22 | For Q3 of 2021-22 | For Q2 of 2021-22 | For Q1 of 2021-22 | For 2021-22 |
| | (Rs. in crore) | (Rs. in crore) | (Rs. in crore) | (Rs. in crore) | (Rs. in crore) |
| Purchase of Power – Fixed Cost | 3,137.12 | 2,858.52 | 7.60 | 2,049.01 | 8,035.47 |
| Purchase of Power – Variable Cost | 3,669.77 | 2,870.18 | 6,270.77 | 3,390.63 | 13,662.47 |
| Transmission Charges | 1,561.58 | 335.34 | 586.53 | 587.58 | 2,565.36 |
| Other Power Purchase Costs | 163.49 | (135.50) | 24.00 | 14.33 | (560.24) |
| Total | 8,531.96 | 5,928.54 | 6,888.90 | 6,041.55 | 23,703.06 |

3.9.11 The Petitioners have not furnished a reconciliation statement for the same. Subsequently, in the absence of reconciliation statement and relevant audited

accounts report, the veracity of the said claims of Petitioners could not be checked.

3.9.12 Additionally, the Objector humbly submits that the Actual Fixed Costs as a part of Actual Power Purchase Cost, ought to be subjected to strict prudence check in terms of Regulation 12 of the Tariff Regulations

3.9.13 It is prayed that the Commission may direct the TSDISCOMs to provide a reconciliation with the audited accounts and the Fixed cost component of power purchase may be accordingly allowed subject to prudence check.

3.9.14 The Objector, in the absence of a reconciliation statement, has considered the claims of the Petitioners for the computation.

3.9.15 Based on the data available, the Objector has computed the allowable Additional Surcharge for H2 of FY 2022-23, as follows:

Table 17: Additional Surcharge as per Objector's Assessment

| Additional Surcharge | | Unit | As per Objector's Assessment |
|----------------------|---|-----------------|------------------------------|
| {A} | Long term available capacity | MW | 8,546.53 |
| {B} | Capacity stranded due to open access | MW | 152.29 |
| {C} | Fixed Charges paid | Rs.crore | 6,063.77 |
| {D}={C}÷{A} | Fixed Charges per MW | Rs.crore/ MW | 0.71 |
| {E}={D}x{B} | Fixed Charges for stranded capacity | Rs.crore | 108.05 |
| {F} | Transmission charges paid | Rs.crore | 2,080.86 |
| {G} | Actual Energy scheduled | MU | 36,015.42 |
| {H}={F}÷{G} | Transmission charges per unit | Rs./kWh | 0.58 |
| I | Distribution charges as per RST Order dt.23.03.2022 | Rs./kWh | 0.23 |
| {J}={H}+{I} | Total transmission and distribution charges per unit | Rs./kWh | 0.81 |
| {K} | Energy consumed by open access consumers from the TSDISCOMs | MU | 1,993.20 |
| {L}={K}x{J} | Transmission and distribution charges to be paid by open access consumers | Rs.crore | 161.00 |
| {M} | Demand charges recovered by the TSDISCOMs from open access consumers | Rs.crore | 179.95 |
| {N}={M}-{L} | Demand charges to be adjusted | Rs.crore | 18.95 |
| {O}={E}-{N} | Net stranded charges recoverable | Rs.crore | 89.11 |

| Additional Surcharge | | Unit | As per Objector's Assessment |
|-----------------------------|--|----------------|-------------------------------------|
| {P} | Open access sales | MU | 370.34 |
| {Q}={O}÷{P} | Additional Surcharge computed | Rs./kWh | 2.41 |
| {R} = {Q}*33% | Proposed Capping on additional surcharge by 33% as per approach in Order dated 22.03.2022 passed by the Commission with regard to O.P.No.61 & 62 of 2021 for H1 of FY 2022-23 | Rs./kWh | 0.79 |

3.9.16 The claim of Additional surcharge may be disallowed due to discrepancies in computation and absence of reconciliation statement with audited accounts for the claim proposed by the Petitioners.

3.9.17 Consider the methodology/approach/computation to work out the Additional Surcharge, if any, attributable to the open access consumers as assessed by the Objector.

TSDISCOMs' Replies

3.9.18 The Commission in its order in O.P.No.23 of 2020 (page 12) opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 for FY 2022-23, considered the actual figures of H1 of corresponding previous year and the same methodology. Hence, the licensee has derived the Additional Surcharge for H2 of FY 2022-23 in consonance with the methodology from the aforementioned order.

3.9.19 Hence, the licensee considered the actual figures i.e., actuals of H1 of FY 2021-22 in conformity with the aforementioned order. The petitioners had submitted the related data (including 15 min-time block data of actual availabilities and schedules) and workings in computation of Additional Surcharge for H2 of FY 2022-23 to the Commission and the same is placed on the TSDISCOMs' and TSERC websites as well.

3.9.20 As per the approved TSERC methodology, the Demand charges to be adjusted (N) is the amount to be recovered and hence it is represented using the

negative sign ((-)Rs.144.01 crore) due to under recovery of fixed cost. To derive the total Net Stranded charges recoverable (O), the Fixed Charges for Stranded capacity (E = Rs.108.05 crore) has to be added to Rs.144.01 crore i.e. $O = E - N = 108.05 - (-)144.01 = 252.06$. Therefore, the Net Stranded charges recoverable (O) arrives at Rs.252.06 crore Hence, the question of refund doesn't arise as stated by the Objector.

- 3.9.21 The licensees have already provided the complete breakup of individual fixed cost of each generating station that has been considered in the determination of Additional Surcharge for H2 FY 2022-23. TSDISCOMs would adhere to the instructions of the Commission for any further requirement of additional information.
- 3.9.22 There shall be a yearly statutory audit report confirming the financials including costs and revenues of the TSDISCOMs and the same shall be submitted after the due process of completion of statutory and C&AG Audit to the Commission.
- 3.9.23 The Commission has passed order in O.P.No.23 of 2020 dated 18.09.2020 considering the actual cost commitments of the TSDISCOMs in arriving at the Additional Surcharge and hence, the TSDISCOMs has considered the actual figures in computation of Additional Surcharge that is appropriate.
- 3.9.24 TSDISCOMs have responded to the item-wise objections made by the objector, in the abovementioned sections, and would request the Commission to consider the computations done by TSDISCOMs, considering the justifications shared on the same.
- 3.9.25 Having said that, Commission in its Orders dated 24.12.2021 and 22.03.2022, had recognized the importance of promoting competition as enshrined in the Electricity Act, and had duly limited the final approved Additional Surcharge, in the interest of all the stakeholders.
- 3.9.26 TSDISCOMs have responded to the item-wise objections made by the objector, in the abovementioned sections, and would request the Commission to consider the computations done by TSDISCOMs, considering the justifications shared on the same.
- 3.9.27 TSDISCOMs would abide by the orders passed by the Commission, regarding the determination of Additional Surcharge.

Commission's View

3.9.28 The Commission has determined Additional Surcharge for H2 of FY 2022-23 in accordance with the approved methodology and therefore does not accept the methodology proposed by the stakeholder.

3.10 Additional Surcharge Claimed is Uncompetitive

Stakeholders' Submissions

3.10.1 The Additional Surcharge Rate of Rs.6.81/unit in the instant petition is highly uncompetitive as compared to other states. Furthermore, it is submitted that the Commission, in its Order dated 24.12.2021, in O.P.Nos.48, 49, 50 and 51 of 2021 & I.A.Nos.21, 22, 23 and 24 of 2021 pertaining to Additional Surcharge for H1 and H2 of FY 2021-22 for Telangana TSDISCOMs had recognized the importance of promoting competition as enshrined in the Electricity Act, and had duly limited the final approved Additional Surcharge, in the interest of all of the stakeholders. The relevant extract of the Order is reproduced below:

"4.2.9 As per the above computations, the AS for H2 of FY 2021-22 works out to Rs.2.38/kWh. The preamble of the Electricity Act, 2003 emphasises, amongst others, taking measures conducive to development of electricity industry, promoting competition therein, protection of interest of consumers and rationalisation of electricity tariffs, as the objectives. The Commission has to do a balancing act in fulfilment of the mandate of the Electricity Act, 2003. The TSDISCOMs are entitled to the Additional Surcharge computed as above but at the same time such as, being significantly higher than the present i.e., Act, 2003 advocates. Therefore, in the interest of all the stakeholders, the Commission decides to allow Additional Surcharge of Rs.0.96/kWh (~40% of Rs.2.38/kWh)."

(Emphasis supplied)

3.10.2 A similar approach is followed in Order dated 22.03.2022 passed by Commission with regards to O.P.No.61 & 62 for H1 of 2022-23. The relevant extract is reproduced below:

4.1.10 As per the above computations, the Additional Surcharge for H1 of FY 2022-23 works out to Rs.3.48/kWh. The preamble of the Electricity Act,2003 emphasises, amongst others, "for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and rationalisation of electricity tariffs". The Commission has to do a balancing act in fulfilment of the mandate of the Electricity Act, 2003.TSDISCOMs are entitled to the Additional Surcharge computed as above but at the same time such Additional Surcharge, being significantly higher than the present level of Additional Surcharge, could hinder the promotion of competition that the Electricity Act,2003 advocates. Therefore, in the interest of all the stakeholders, the

Commission decides to allow Additional Surcharge of Rs.1.15/kWh (i.e., ~ 33% of Rs.3.48/kWh).

(Emphasis supplied)

- 3.10.3 In spite of clear provision allowing levy of Additional Surcharge only when existing power purchase commitments has been and continues to be stranded due to Open Access, there is an inverse trend of increasing Additional Surcharge with decreasing Open Access sales. The same trend is represented in tabular form below:

Table 18: Trend of Additional Surcharge as per Objector's Assessment

| Particulars | Units | Additional Surcharge Order H2 2021-22 | Additional Surcharge Order H1 2022-23 | Additional Surcharge Petition H2 2022-23 |
|---------------------------------|------------|---------------------------------------|---------------------------------------|--|
| Open Access sales | MU | 844.11 | 645.90 | 370.34 |
| Additional Surcharge Determined | (Rs./unit) | 2.38 | 3.48 | 6.81 |
| Additional Surcharge Approved | (Rs./unit) | 0.95 | 1.15 | - |

- 3.10.4 This inverse increasing trend of increasing Additional Surcharge with decreasing Open Access sale is divergent to the essence of National Tariff policy and quite onerous to the favour of consumers. The relevant extract in support from Tariff Policy has been reproduced below:

8.5 cross-subsidy surcharge and additional surcharge for open access

8.5.1 *National Electricity Policy lays down that the amount of cross-subsidy surcharge and the additional surcharge to be levied from consumers who are permitted open access should not be so onerous that it eliminates competition which is intended to be fostered in generation and supply of power directly to the consumers through open access.*

- 3.10.5 Existing PP agreements only should be stranded, new PPAs should not be responsible.
- 3.10.6 OA sales are reducing over the years. Levying high Additional Surcharge is one of the many reasons. This shows that OA consumers are coming back to Discoms, but the AS is still increasing.
- 3.10.7 Discoms are purchasing high amounts of short-term power (nearly 6000 MUs). Yet they are declaring stranded capacity. When Discoms have revenue from short term sales then why not reduce that revenue from stranded charges payable. This would reduce the burden from OA consumers.

- 3.10.8 Industrial and Commercial category consumers are already hardly impacted by COVID-19. Levying very high Additional Surcharge will lead to closure of industries. The overall cost per unit for OA consumers will go up to 14 to 16 Rs/unit which is highly uncompetitive. The Ease of Doing Business will be badly impacted by this.
- 3.10.9 The Commission may allow only a competitive additional surcharge after a thorough prudence check.

TSDISCOMs' Replies

- 3.10.10 The Commission in its order in O.P.No.23 of 2020 (page 12) opined that the methodology of Additional Surcharge computation was approved in the Order dated 13.12.2017 in I.A.Nos.22&23 of 2017 in O.P.Nos.22&23 of 2016 respectively (Additional Surcharge Order for FY 2017-18) and the same have attained finality. The Commission while determining Additional Surcharge for H1 2022-23 have also considered the same methodology.
- 3.10.11 Hence, the licensee has derived the Additional Surcharge for H2 of FY 2022-23 in consonance with the methodology from the aforementioned order.
- 3.10.12 Having said that, Commission in its Orders dated 24.12.2021 and 22.03.2022, had recognized the importance of promoting competition as enshrined in the Electricity Act, and had duly limited the final approved Additional Surcharge, in the interest of all the stakeholders.
- 3.10.13 Licensee have not considered any new PPAs while arriving the stranded capacity.
- 3.10.14 Licensee is not responsible for reduction of OA sales. Licensee is providing reliable quality power for 24x7 which is one of the main reasons OA consumers are coming back to the licensee. Open Access Sales which are highly intermittent in nature depends on various dynamic factors that is market driven and hence, accurate prediction of OA Sales is highly difficult.
- 3.10.15 The licensee derived the Additional Surcharge for H2 of FY 2022-23 in consonance with the methodology approved by Hon'ble Commission duly considering LT PPAs.

3.10.16 The revenue earned from short term sales in the market have already been adjusted in power purchase cost.Hence the benefit of reduction of APPC is passed on to the consumers and the net APPC is considered for AS.

3.10.17 Hon'ble TSERC in its Orders dated 24.12.2021 and 22.03.2022, had recognized the importance of promoting competition as enshrined in the Electricity Act, and had duly limited the final approved Additional Surcharge, in the interest of all the stakeholders. TS Discoms would abide by the orders passed by Hon'ble TSERC, regarding the determination of AS.

Commission's View

3.10.18 Commission takes note of the submissions of the Stakeholder and TSDISCOMs.

3.11 Exemption of levy of Additional Surcharge for Green Energy Open Access consumers

Stakeholders' Submissions

3.11.1 The generation assets getting stranded for the licensees could be due to improper power procurement plan of the licensees and due to ad-hoc power purchases on power exchanges by consumers (PXIL or IEX) and not in any way related to the consumers consuming power from solar developers through bi-lateral open access, as his consumption is well known in advance from must run status of solar renewable energy source, to the utilities as the approval for long term open access is granted only by the very same Discoms, and hence they could have made procurement plans accordingly. Therefore it is conclusively proved that the stranded capacity was not due to solar bi-lateral open access transactions. Hence, request the Hon'ble Commission to not impose additional surcharges for all solar bi-lateral open access transactions.

3.11.2 Solar bilateral is not responsible for Discoms' stranded capacity. Clause (9) (2) of Electricity Rules , 2022 clearly stipulates no applicability of AS on Green Energy Open Access Consumers , if fixed charges are being paid by such a consumer.

TSDISCOMs' Replies

3.11.3 The Power generation from solar plants is intermittent & not available completely during night hours. Hence, Discoms are constrained to enter into long term PPAs in view of its universal service obligation indicating that the

solar power plants are also contributing to the stranded capacity of the Discoms in certain time blocks. Fixed charges paid by the Open Access consumers do not reflect the total fixed charges commitment of the Discoms with the generators. Discoms are able to recover only 40% of Fixed costs, so to recover the rest 60% of Fixed Costs, levying Additional Surcharge is inevitable.

- 3.11.4 The very purpose of methodology of AS is to compute the Fixed charges unrecovered. As the fixed charges are not recovered totally from any OA consumer, AS is inevitable.

Commission's View

- 3.11.5 The Commission takes note of the submission of the stakeholder on the applicability of AS on Green Energy Open Access Consumers as per the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. In terms of Rule 5(1) of the said Rules, 2022 the Commission is in the process of amending the relevant regulations.

CHAPTER-4 ANALYSIS AND CONCLUSION ON DETERMINATION OF ADDITIONAL SURCHARGE FOR H2 OF FY 2022-23

4.1 Additional Surcharge for H2 of FY 2022-23

Long term availability

4.1.1 The Commission after careful examination approves the long-term available capacity as 8546.53 MW as claimed by the TS Discoms.

Capacity stranded due to Open Access

4.1.2 On examination of 15-minute time-block data for the period from Oct'21 to Mar'22, the Commission noted that the TSDISCOMs have averaged the 15-minute time block data for the entire six (6) months period in accordance with the approved methodology. Further, the Commission observes that TSDISCOMs have purchased the energy under short-term purchases during certain time blocks when there is an availability of surplus capacity. The Commission opines that the short term purchases during the availability of surplus capacity cannot be attributed to stranded capacity due to the open access consumers and accordingly the Commission approves the capacity stranded due to Open Access as 119.44 MW against 152.29 MW as detailed below:

Table 19: Approved Stranded Capacity

| Particular (in MW) | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Average |
|----------------------------|------------|------------|------------|-----------|-----------|-----------|-------------|
| Available capacity | 9153 | 7763 | 7831 | 8417 | 9059 | 9080 | 8547 |
| Scheduled Capacity | 7858 | 6561 | 6843 | 7321 | 8332 | 8585 | 7576 |
| (Deficit)/Surplus | 1296 | 1202 | 988 | 1091 | 727 | 495 | 969 |
| OA Scheduled Capacity | 160 | 325 | 196 | 144 | 87 | 73 | 165 |
| Approved stranded Capacity | 144 | 275 | 150 | 90 | 36 | 19 | 119 |

Fixed charges for stranded capacity

4.1.3 The TSDISCOMs have claimed the fixed charges of Rs.6063.77 crore for the period from Oct'21 to Mar'22. The Commission on prudent check has considered the fixed charges as Rs.5758.20 crore and the long term available capacity is 8546.53 MW. Thus average fixed charges work out to Rs.0.67 crore/MW.

4.1.4 Accordingly, the fixed charges for stranded capacity has been computed as Rs.80.47 crore (i.e., 119.44 MW x Rs 0.67 crore/MW).

4.1.5 The TSDISCOMs requested the Commission to consider any variation in fixed charges for the period from Oct'21 to Mar'22, in the final audited accounts, in the ensuing filings of Additional Surcharge. The Commission allows the TSDISCOMs to separately indicate the variation in fixed cost for the period from Oct'21 to Mar'22, if any, in the ensuing filings of Additional Surcharge, and to submit the detailed justification for variation in fixed charges. The Commission shall take a view on considering the same based on the submissions.

Transmission charges and actual energy scheduled

4.1.6 The TSDISCOMs have claimed the transmission charges of Rs.2080.86 crore for the period from Oct'21 to Mar'22 and scheduled energy for that period is 36015.42 MU. The Commission has considered the same. Accordingly, the transmission charges per unit has been worked out as Rs.0.58/kWh.

Distribution charges

4.1.7 The Commission finds merit in the submission of the stakeholders not to consider LT distribution cost for additional surcharge calculation. Hence the Commission has worked out the distribution charges of Rs.0.18/kWh by considering distribution cost other than LT i.e., 11 KV and 33 kV as detailed below:

Table 20: Approved Distribution Cost

| | | |
|---|---------|---------------|
| Distribution cost as per fourth MYT Distribution Tariff Order read with its amendment order dt 01.03.2021 by considering ARR less NTI. [voltage-wise apportion is LT Rs.6167.15 crore, 11 kV Rs.1164.55 crore and 33 kV Rs.78.51 crore] | (a) | Rs.7410.21 cr |
| Actual scheduled capacity for FY 2021-22 (34,112.65 MU for H1 and 36015.42 MU for H2) | (b) | 70128.07 MU |
| Total Distribution charges as per Tariff Order | (c)=a/b | Rs.1.06/kWh |
| Distribution charges other than LT (i.e., 11 kV and 33 kV) as per MYT Distribution Tariff Order read with its amendment order | (d) | Rs.1243.05 cr |
| Percentage of other than LT distribution cost (i.e., for 11 kV and 33 kV) in total distribution cost as per MYT Distribution Tariff Order | (e)=d/a | 16.77% |
| Distribution charges as per Tariff Order considered by Commission for AS calculation | (f)=e*c | Rs 0.18/kWh |

Demand charges to be adjusted

4.1.8 The total transmission and distribution charges per unit work out to Rs.0.76/kWh. The energy consumed by Open Access consumers from the TSDISCOMs of 1993.20 MU as claimed by the TSDISCOMs is considered and

the transmission and distribution charges payable by the Open Access consumers work out to Rs.150.49 crore. The demand charges recovered by the TSDISCOMs from Open Access consumers is Rs.179.95 crore. Thereby the under recovery is to the tune of Rs.29.46 crore

Net stranded charges

4.1.9 Based on the above, the net stranded charges work out to Rs.51.01 crore (=80.47-29.46).

Open Access sales

4.1.10 The TSDISCOMs have claimed the Open Access sales of 370.34 MU pertaining to Open Access other than captive transactions for the period from Oct'21 to Mar'22. The Commission finds the same to be in order and hence considered the same.

Additional Surcharge for H2 of FY 2022-23

4.1.11 Based on the above, the Additional Surcharge claimed by TSDISCOMs and approved by the Commission is as shown in the Table below:

Table 21: Additional Surcharge for H2 of FY 2022-23

| Sl. No. | Particulars | Unit | Claimed | Approved |
|-------------|--|----------------|-------------|-------------|
| {A} | Long term available capacity | MW | 8546.53 | 8546.53 |
| {B} | Capacity stranded due to open access | MW | 152.29 | 119.44 |
| {C} | Fixed Charges paid | Rs.crore | 6063.77 | 5758.20 |
| {D}={C}÷{A} | Fixed Charges per MW | Rs.crore/MW | 0.71 | 0.67 |
| {E}={D}x{B} | Fixed Charges for stranded capacity | Rs.crore | 108.05 | 80.47 |
| {F} | Transmission charges paid | Rs.crore | 2080.86 | 2080.86 |
| {G} | Actual Energy scheduled | MU | 36015.42 | 36015.42 |
| {H}={F}÷{G} | Transmission charges per unit | Rs./kWh | 0.58 | 0.58 |
| {I} | Distribution charges as per Tariff Order | Rs./kWh | 1.05 | 0.18 |
| {J}={H}+{I} | Total transmission and distribution charges per unit | Rs./kWh | 1.63 | 0.76 |
| {K} | Energy consumed by open access consumers from the TSDISCOMs | MU | 1993.20 | 1993.20 |
| {L}={K}x{J} | Transmission and distribution charges payable by open access consumers | Rs.crore | 323.96 | 150.49 |
| {M} | Demand charges recovered by the TSDISCOMs from open access consumers | Rs.crore | 179.95 | 179.95 |
| {N}={M}-{L} | Demand charges to be adjusted | Rs.crore | -144.01 | 29.46 |
| {O}={E}-{N} | Net stranded charges recoverable | Rs.crore | 252.06 | 51.01 |
| {P} | Open Access sales | MU | 370.34 | 370.34 |
| {Q}={O}÷{P} | Additional Surcharge | Rs./kWh | 6.81 | 1.38 |

4.1.12 The Additional Surcharge for H2 of FY 2022-23 works out to Rs.1.38/kWh and shall be applicable from 01.10.2022 to 31.03.2023.

4.1.13 Terms & Conditions for levy of Additional Surcharge:

- i. The Additional Surcharge determined by the Commission shall be applicable to the consumers of the TSDISCOMs who avail power through Open Access from any source other than their respective TSDISCOMs.
- ii. The Additional Surcharge shall be levied on the quantum of electricity scheduled by such consumers.
- iii. The Additional Surcharge shall not be levied on such Open Access consumers for their captive consumption to the extent of Open Access availed for wheeling power from their own CPPs.

This Order is corrected and signed on this the 27th day of September, 2022.

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

//CERTIFIED COPY//

APPENDIX-A
SCHEDULE OF APPROVED ADDITIONAL SURCHARGE

1. The Additional Surcharge of Rs.1.38/kWh shall be applicable for the period from 01.10.2022 to 31.03.2023.
2. Terms & Conditions for levy of Additional Surcharge:
 - i. The Additional Surcharge determined by the Commission shall be applicable to the consumers of the TSDISCOMs who avail power through Open Access from any source other than their respective TSDISCOMs.
 - ii. The Additional Surcharge shall be levied on the quantum of electricity scheduled by such consumers.
 - iii. The Additional Surcharge shall not be levied on such Open Access consumers for their captive consumption to the extent of Open Access availed for wheeling power from their own CPPs.

ANNEXURE-I PUBLIC NOTICE

గౌరవనీయులైన తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి వారి సమక్షంలో
ఇంటి సం.11-4-860, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, లక్ష్మీ-కా-పూల్, హైదరాబాద్-500 004

దక్షిణ తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (TSSPDCL) N/D ఉత్తర తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (TSNPDCL)

బహిరంగ ప్రకటన

1. ఇందు మూలంగా TSSPDCL పరిధిలోని యావత్పండికి తెలియజేయబడి ఏమనగా ప్రభుత్వ యాజమాన్యంలోని ద్వీపిజ్యూషన్ మరియు రిటైల్ సప్లయ డివిజన్ (సం.13/2000) తేది: 29-12-2000 కింద ఉన్న దక్షిణ తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (TSSPDCL), తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC) ముందు FY 2022-23 యొక్క H2 కోసం అదనపు సరే లాడ్స్ రాఖలు చేసింది. ఈ రాఖలు 2022లో OP సం.55/2022 కోసం గౌరవనీయులైన కమిషన్ వారికి సమీక్ష చేయబడ్డాయి.

2. సైన్ 15 పేలాలో సూచించిన రాఖల కొరతను దీని జనరల్ మేనేజర్ (RAC) పంపిణీ సంస్థ ప్రధాన కార్యాలయం, (TSSPDCL) కార్యాలయ అఫీస్, ప్లస్ ఫోర్, మింట్ కాంపౌండ్, హైదరాబాద్-500069 మరియు బుజురా హిల్స్, హైదరాబాద్ (పాత్), హైదరాబాద్ (సెంట్రల్), మేధూర్, సైబర్గిటి, హార్మిగూడ, నీలిండ్రాబాద్, రాజేంద్రనగర్, సహారనగర్, విశాఖాబాద్, మహబూబాబాద్, గద్వాల, నాగార్జునపూర్, వనపర్తి, మెదక్, సిద్దిపేట, సుగార్జి, నల్గొండ, యాదాద్రి మరియు సూర్యాపేట అవరేషన్ సర్కిల్స్లో ఉన్న సూచించబడినట్లు ఇంజనీర్ కార్యాలయంలో ఆందుబాటులో ఉన్నాయి. ఈ ప్రతిపాదనలు www.tssouthernpower.comలో మరియు www.tserc.gov.inలో ఉంచబడ్డాయి. అనేక గెం వ్యక్తులు సైన్ పేర్కొన్న రాఖలను సైన్ పేర్కొన్న కార్యాలయం వద్ద కార్యాలయ పని చేసేలో ఉదేశంగా పరిశీలించవచ్చును. ఈ రాఖల ప్రతులు 18-07-2022 నుండి సై కార్యాలయం నుండి ఫోటో కాపీ లాభిం చేయవచ్చు పొందవచ్చు.

3. అభ్యంతరాలు/సూచనలు, ఏదైనా ఉంటే, అదనపు సరే లాడ్స్ రాఖలను సూచించిన వెబ్సైటులో పాటు, దీని జనరల్ మేనేజర్ (RAC) గారికి, ప్రధాన కార్యాలయం (TSSPDCL) కార్యాలయ అఫీస్, ప్లస్ ఫోర్, మింట్ కాంపౌండ్, హైదరాబాద్-500069 వ్యక్తిగతంగా లేదా రిజిస్టర్డ్ పోస్ట్ ద్వారా 09-08-2022 సాయంత్రం 5 గంటలలోపు పంపగలరు. దాని కాపీ సైన్ పేర్కొన్న దిరువామాలో పెట్టబడి, TSERC వారికి కూడా సమర్పించాలి. అభ్యంతరాలు/ సూచనలు నివేదించువారి సంతకము(లు) మరియు పూర్తి పేరు, పోస్టల్ దిరువామా, ఇ-మెయిల్ ఐడీ మరియు సంప్రదింపు నంబర్ పొందుపరచగలరు. ఏదైనా సంస్థ లేదా వినియోగదారుల వర్గం తరఫున అభ్యంతరాలు/ సూచనలు రాఖలు చేయబడితే, అవి స్వస్థంగా పేర్కొనవలెను. అభ్యంతరదారు(లు) వ్యక్తిగతంగా వినియోగదారుల ప్రతినిధిగా పేర్కొనవలెను. అభ్యంతరాలు/సూచనల వివరాలను ఈ క్రింద తెలుసుకునే పద్ధతిలో పొందుపరచాలి, ఇతరపరచాలి.

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| అభ్యంతరదారు పేరు మరియు పూర్తి దిరువామాతో పాటు, ఇ-మెయిల్ ఐడీ మరియు సంప్రదింపు నెంబర్ | అభ్యంతరం(ల)/ సూచన(ల) సంక్షిప్త వివరాలు | TSSPDCL అదనపు సరే లాడ్స్ ప్రతిపాదనలపై అభ్యంతరాలు | TSSPDCL కార్యాలయమునకు అభ్యంతర ప్రతినిధి పంపిన దుబాపును అతరపరచాలి (అవును/కాదు) | అభ్యంతరదారు వ్యక్తిగతంగా వివరాలు/కూడా (అవును/లేదు) |
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4. FY 2022-23 యొక్క H2 కోసం అదనపు సరే లాడ్స్ కోసం దీని మేము రాఖల యొక్క సారాంశం దిగువ షెడ్యూల్-1లో సూచించబడింది.

5. తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి వారు తేది: 24-08-2022 (బుధవారం) 11.00 గంటల నుండి TSERC కోర్ట్ హాల్, ఐదవ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్లో పబ్లిక్ హియరింగ్ను ప్రకటనగా నిర్వహించాలని భావిస్తోంది.

స్థలం: హైదరాబాద్ వైద్యనీ మలయ మేనేజింగ్ డైరెక్టర్
తేది: 18-07-2022 టిఎస్ఎస్సీసీసీసీ, హైదరాబాద్

బహిరంగ ప్రకటన

1. ఇందు మూలంగా TSNPDCL పరిధిలోని యావత్పండికి తెలియజేయబడి ఏమనగా ప్రభుత్వ యాజమాన్యంలోని ద్వీపిజ్యూషన్ మరియు రిటైల్ సప్లయ డివిజన్ (సం.14/2000) తేది: 29-12-2000 కింద ఉన్న ఉత్తర తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (TSNPDCL), తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC) ముందు FY 2022-23 యొక్క H2 కోసం అదనపు సరే లాడ్స్ రాఖలు చేసింది. ఈ రాఖలు 2022లో OP సం.56/2022 కోసం గౌరవనీయులైన కమిషన్ వారికి సమీక్ష చేయబడ్డాయి.

2. సైన్ 15 పేలాలో సూచించిన రాఖల కొరతను దీని జనరల్ మేనేజర్ (IPC & RAC) పంపిణీ సంస్థ ప్రధాన కార్యాలయం, హనుమాంకోండ (TSNPDCL) ఇంటి సం. 2-5-31/2, విద్యుత్ భవన్, నక్కలగట్ల, హనుమాంకోండ-500001 మరియు హనుమాంకోండ, వరంగల్, మహబూబాబాద్, జువరతుర్ (భూపాలపల్లి), జువరాం, కేసినగర్, జోత్పూర్, పెద్దపల్లి, విశాఖాబాద్, కామారెడ్డి, బద్వల, భద్రాద్రి కొత్తగూడెం, అదిలాబాద్, సిద్దిపేట, మండ్లూరు మరియు కొమరంబీం (అనీపాలాల్) అవరేషన్ సర్కిల్స్లో ఉన్న సూచించబడినట్లు ఇంజనీర్ కార్యాలయంలో ఆందుబాటులో ఉన్నాయి. ఈ ప్రతిపాదనలు www.tsnpdcl.in మరియు www.tserc.gov.inలో ఉంచబడ్డాయి. అనేక గెం వ్యక్తులు సైన్ పేర్కొన్న రాఖలను సైన్ పేర్కొన్న కార్యాలయం వద్ద కార్యాలయ పని చేసేలో ఉదేశంగా పరిశీలించవచ్చును. ఈ రాఖల ప్రతులు 18-07-2022 నుండి సై కార్యాలయం నుండి ఫోటో కాపీ లాభిం చేయవచ్చు పొందవచ్చు.

3. అభ్యంతరాలు/సూచనలు, ఏదైనా ఉంటే, అదనపు సరే లాడ్స్ రాఖలను సూచించిన వెబ్సైటులో పాటు, దీని జనరల్ మేనేజర్ (IPC & RAC) గారికి, ప్రధాన కార్యాలయం, హనుమాంకోండ (TSNPDCL), ఇంటి సం. 2-5-31/2, విద్యుత్ భవన్, నక్కలగట్ల, హనుమాంకోండ-500 001 వ్యక్తిగతంగా లేదా రిజిస్టర్డ్ పోస్ట్ ద్వారా 09-08-2022 సాయంత్రం 5 గంటలలోపు పంపగలరు. దాని కాపీ సైన్ పేర్కొన్న దిరువామాలో పెట్టబడి, TSERC వారికి కూడా సమర్పించాలి. అభ్యంతరాలు/ సూచనలు నివేదించువారి సంతకము(లు) మరియు పూర్తి పేరు, పోస్టల్ దిరువామా, ఇ-మెయిల్ ఐడీ మరియు సంప్రదింపు నంబర్ పొందుపరచగలరు. ఏదైనా సంస్థ లేదా వినియోగదారుల వర్గం తరఫున అభ్యంతరాలు/ సూచనలు రాఖలు చేయబడితే, అవి స్వస్థంగా పేర్కొనవలెను. అభ్యంతరదారు(లు) వ్యక్తిగతంగా వినియోగదారుల ప్రతినిధిగా పేర్కొనవలెను. అభ్యంతరాలు/సూచనల వివరాలను ఈ క్రింద తెలుసుకునే పద్ధతిలో పొందుపరచాలి, ఇతరపరచాలి.

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| అభ్యంతరదారు పేరు మరియు పూర్తి దిరువామాతో పాటు, ఇ-మెయిల్ ఐడీ మరియు సంప్రదింపు నెంబర్ | అభ్యంతరం(ల)/ సూచన(ల) సంక్షిప్త వివరాలు | TSNPDCL అదనపు సరే లాడ్స్ ప్రతిపాదనలపై అభ్యంతరాలు | TSNPDCL కార్యాలయమునకు అభ్యంతర ప్రతినిధి పంపిన దుబాపును అతరపరచాలి (అవును/కాదు) | అభ్యంతరదారు వ్యక్తిగతంగా వివరాలు/కూడా (అవును/లేదు) |
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4. FY 2022-23 యొక్క H2 కోసం అదనపు సరే లాడ్స్ కోసం దీని మేము రాఖల యొక్క సారాంశం దిగువ షెడ్యూల్-1లో సూచించబడింది.

5. తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి వారు తేది: 24-08-2022 (బుధవారం) 11.00 గంటల నుండి TSERC కోర్ట్ హాల్, ఐదవ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్లో పబ్లిక్ హియరింగ్ను ప్రకటనగా నిర్వహించాలని భావిస్తోంది.

స్థలం: హనుమాంకోండ వైద్యనీ మలయ మేనేజింగ్ డైరెక్టర్
తేది: 18-07-2022 టిఎస్ఎస్సీసీసీసీ, హనుమాంకోండ

| షెడ్యూల్ - I | | | | FY 2022-23 H2 కోసం అదనపు సరే లాడ్స్ | | | |
|-----------------|--|-----------|----------|-------------------------------------|---|-----------|---------|
| క్రమ సంఖ్య | వివరాలు | యూనిట్ | విలువ | క్రమ సంఖ్య | వివరాలు | యూనిట్ | విలువ |
| (A) | దీర్ఘకాలిక సామర్థ్య అభ్యంతర | MW | 8546.53 | (J) = (H)+(I) | మొత్తం ట్రాన్స్మిషన్ మరియు ద్వీపిజ్యూషన్ లాడ్స్/యూనిట్లు | Rs. /KWh | 1.83 |
| (B) | ఓపెన్ యాక్సిన్ ఇంటెగ్రేషన్ సైనింగ్ సామర్థ్యం | MW | 152.29 | (K) | దీని మేము నుండి ఓపెన్ యాక్సిన్ వినియోగదారులు వినియోగించిన విద్యుత్ | MU | 1993.20 |
| (C) | రెగ్యులర్ సరే లాడ్లు | Rs. Crore | 6063.77 | (L) = (K)/(J) | ఓపెన్ యాక్సిన్ వినియోగదారులు రెగ్యులర్ ట్రాన్స్మిషన్ మరియు ద్వీపిజ్యూషన్ లాడ్లు | Rs. Crore | 323.96 |
| (D) = (C) + (A) | సరే లాడ్/MW | Crore/MW | 0.71 | (M) | ఓపెన్ యాక్సిన్ వినియోగదారుల నుండి దీని మేము మూలం చేసిన డిమాండ్ లాడ్లు | Rs. Crore | 179.95 |
| (E) = (D) x (B) | సైనింగ్ సామర్థ్యం కోసం సరే లాడ్ | Rs. Crore | 108.05 | (N) = (M)-(L) | సర్దుబాటు చేయవలసిన డిమాండ్ లాడ్లు | Rs. Crore | -144.01 |
| (F) | రెగ్యులర్ ట్రాన్స్మిషన్ లాడ్లు | Rs. Crore | 2080.86 | (O) = (E)-(N) | మూలం చేయవలసిన సరే సైనింగ్ లాడ్లు | Rs. Crore | 252.06 |
| (G) | వాస్తవ షెడ్యూల్ పవర్ | MU | 36015.42 | (P) | ఓపెన్ యాక్సిన్ అవ్వకపోతే | MU | 370.34 |
| (H) = (F) + (G) | ట్రాన్స్మిషన్ లాడ్లు/యూనిట్ | Rs. /KWh | 0.58 | (Q) = (O) + (P) | అదనపు సరే లాడ్ | Rs. /KWh | 6.81 |
| (I) | టూల్డ్ అఫ్టర్ ప్రకారం పంపిణీ లాడ్లు | Rs. /KWh | 1.05 | | | | |

విద్యుత్ అమూల్యమైనది - దానిని బాధ్యతాయుతంగా వాడండి
DIPR RO.No. 4769-PP/CLADVT/1/2022-23, Dt: 16-07-2022

ANNEXURE-II
LIST OF STAKEHOLDERS WHO SUBMITTED THE WRITTEN
OBJECTIONS/SUGGESTIONS

| Sl. No. | Name and address of the stakeholder |
|----------------|--|
| 1 | The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, Federation Marg, 11-6-841, Red Hills, Hyderabad 500 004/ |
| 2 | Sri V.Manikanth, General manager-Projects, M/s Penna Cement Industries Limited, Lakshmi Nivas 705, Road # 3, Banjara Hills, Hyderabad 500 034. |
| 3 | Sri Vinod Kumar Agarwal, Managing Director, M/s Salasar Iron & Steel (P) Ltd., Flat No.101, 1 st Floor, Satya Sarovar Complex, High Court Road, Hyderabad 500 002. |
| 4 | Sri Jogendra Behera, CRO & VP (Market Economics & Regulatory), Indian Energy Exchange (IEX), Plot No.C-001/A/1, 9 th Floor, Max Towers, Sector 16B Noida, Gautam Buddha Nagar, Uttar Pradesh 201 301. |
| 5 | Sri Gopinath Injeti, Chief Executive Officer, South Indian Cement Manufacturers' Association (SISMA), 3 rd Floor, 36 th Square, Plot No.481, Road No.36, Jubilee Hills, Hyderabad 500 034. |
| 6 | Telangana Solar Open Access Developers Association, # 8-3-224/4/A, Plot No,11&12, Sy.No.01, Room No.412, Madhuranagar, Yousufguda, Hyderabad 500 038. |
| 7 | Aruna Mantena, Confederation of Indian Industry |
| 8 | BBR Green Fields Pvt. Ltd. |

ANNEXURE-III
LIST OF STAKEHOLDERS WHO PARTICIPATED IN PUBLIC
HEARING HELD ON 24.08.2022

| Sl. No. | Name and address of the stakeholder |
|----------------|--|
| 1 | The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, Federation Marg, 11-6-841, Red Hills, Hyderabad 500 004/ |
| 2 | Sri V.Manikanth, General manager-Projects, M/s Penna Cement Industries Limited, Lakshmi Nivas 705, Road # 3, Banjara Hills, Hyderabad 500 034. |
| 3 | Sri Vinod Kumar Agarwal, Managing Director, M/s Salasar Iron & Steel (P) Ltd., Flat No.101, 1 st Floor, Satya Sarovar Complex, High Court Road, Hyderabad 500 002. |
| 4 | Aruna Mantena, Confederation of Indian Industry |
| 5 | Sri Gopinath Injeti, Chief Executive Officer, South Indian Cement Manufacturers' Association (SISMA), 3 rd Floor, 36 th Square, Plot No.481, Road No.36, Jubilee Hills, Hyderabad 500 034. |
| 6 | Telangana Solar Open Access Developers Association, # 8-3-224/4/A, Plot No,11&12, Sy.No.01, Room No.412, Madhuranagar, Yousufguda, Hyderabad 500 038. |