

BEFORE THE TELANGANA ELECTRICITY REGULATORY
COMMISSION HYDERABAD

CASE NO. I.A. 22 of 2017 in O.P. No. 22 of 2016

IN THE MATTER OF:

Reply on behalf of Open Access Users Association to I.A. 22 of 2017 in
O.P. 22 of 2016 filed by TSSPDCL before TSERC

RESPONDENT:

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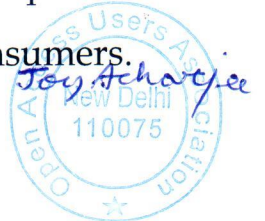
FACT OF THE CASE: TSNPDCL has filed I.A. No. 22 of 2017 in O.P. No. 22 of 2016 seeking comments, objections and suggestions in abovementioned matter. Hence, present reply for submitting objections and comments.

OBJECTIONS / SUGGESTIONS TO THE PETITIONS



OBJECTIONS / SUGGESTIONS TO THE PETITIONS

- A| 1. Telangana State Southern Power Distribution Company Limited of Telengana hereinafter referred to as TSSPDCL and Telengana State Northern Power Distribution Company of Telengana hereinafter referred to as TSNPDCL , and both being referred as petitioner or DISCOM., have filed an ARR petition and proposed tariff on 13.4.2017 before this Hon'ble Commission. However, it was stated that the proposal for Additional Surcharge (AS) would be filed separately. Accordingly, TSSPDCL has filed the proposal, pertaining to AS before this Hon'ble Commission vide I.A. no. 22 of 2017 in O.P. 22 of 2016 for FY 2017-18 based on which Public Notice has been issued inviting comments/objections of the stakeholders.
2. The present submissions/objections are being filed by the Open Access Users Association hereinafter referred as "Objector" in I.A. no. 22 of 2017 in O.P. 22 of 2016.
3. All the statements made by the DISCOMs in I.A. no. 22 of 2017, which are not specifically admitted herein, are denied.
4. The members of Objector Association are running manufacturing industries in the State of Telengana and are purchasing power through open access. .
5. At the outset, it is stated that the petition is misconceived and seeks to unduly enrich the Petitioners / Distribution Companies in the State of Telengana at the cost of the open access consumers.



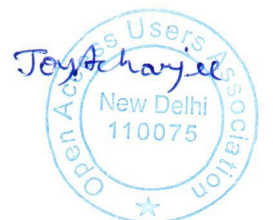
The Petition submitted is based on general statements whereas the National Tariff Policy and Regulations clearly lay down that DISCOM have to conclusively demonstrate that the obligation of a licensee in terms of existing Power Purchase Commitments has been and continues to be stranded or there is an unavoidable obligation & incidence to bear Fixed Cost component consequent to such contract as per Clause 8.5 of National Tariff Policy.

- A| 6. The Petitioners are seeking to hide their own inefficiencies under the garb of imposition of additional surcharge and Cross Subsidy Surcharge on open access consumers. It is writ large from the data filed by the Petitioners itself that no case is made out for imposition of additional surcharge or high cross subsidy surcharge. Before dealing with the petition and the data filed by the Petitioners, the Objector would like to place on record the following statutory provisions/principles regarding levy of Additional Surcharge and cross subsidy surcharge.

RELEVANT STATUTORY PROVISIONS AND JUDGMENTS

7. The concept of open access has been introduced by the Electricity Act, 2003. While Section 42 (1) provides for the Distribution Licensee to develop and maintain an efficient, coordinated and economical distribution system for supply of electricity, Section 42 (2) provides for introduction of open access along with applicable charges for the same. Sections 42 and 43 of the Electricity Act, 2003, which are relevant provide as under:

"42. Duties of distribution licensee and open access -



(1) It shall be the duty of a distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in his area of supply and to supply electricity in accordance with the provisions contained in this Act.

(2) The State Commission shall introduce open access in such phases and subject to such conditions, (including the cross subsidies, and other operational constraints) as may be specified within one year of the appointed date by it and in specifying the extent of open access in successive phases and in determining the charges for wheeling, it shall have due regard to all relevant factors including such cross subsidies, and other operational constraints:

Provided that such open access may be allowed before the cross subsidies are eliminated on payment of a surcharge in addition to the charges for wheeling as may be determined by the State Commission:

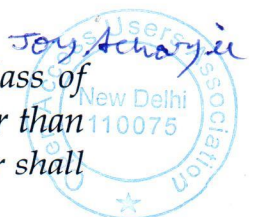
Provided further that such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee:

Provided also that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission:

Provided also that such surcharge shall not be liveable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

(3) Where any person, whose premises are situated within the area of supply of a distribution licensee, (not being a local authority engaged in the business of distribution of electricity before the appointed date) requires a supply of electricity from a generating company or any licensee other than such distribution licensee, such person may, by notice, require the distribution licensee for wheeling such electricity in accordance with regulations made by the State Commission and the duties of the distribution licensee with respect to such supply shall be of a common carrier providing non-discriminatory open access.

(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.

43. *Duty to supply on request*

(1) Every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply:

Provided that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply the electricity to such premises immediately after such extension or commissioning or within such period as may be specified by the Appropriate Commission.

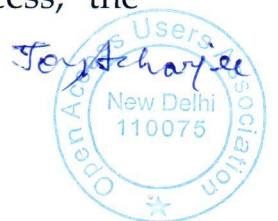
Provided further that in case of a village or hamlet or area wherein no provision for supply of electricity exists, the Appropriate Commission may extend the said period as it may consider necessary for electrification of such village or hamlet or area.

(2) It shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1):

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of electricity for any premises having a separate supply unless he has agreed with the licensee to pay to him such price determined by the Appropriate Commission

(3) If a distribution licensee fails to supply the electricity within a period specified in sub-section (1), he shall be liable to a penalty which may extend to one thousand rupees for each day of default."

8. The Central Government notified the National Tariff Policy under Section 3 of the Electricity Act, 2003. With regard to additional surcharge and cross subsidy surcharge for open access, the National Tariff Policy provided as under -



"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. A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross subsidy surcharge. The computation of cross subsidy surcharge, therefore, needs to be done in a manner that while it compensates the distribution licensee, it does not constrain introduction of competition through open access. A consumer would avail of open access only if the payment of all the charges leads to a benefit to him. While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers. Accordingly, when open access is allowed the surcharge for the purpose of sections 38,39,40 and sub-section 2 of section 42 would be computed

as the difference between (i) the tariff applicable to the relevant category of consumers and (ii) the cost of the distribution licensee to supply electricity to the consumers of the applicable class. In case of a consumer opting for open access, the distribution licensee could be in a position to discontinue purchase of power at the margin in the merit order. Accordingly, the cost of supply to the consumer for this purpose may be computed as the aggregate of (a) the weighted average of power purchase

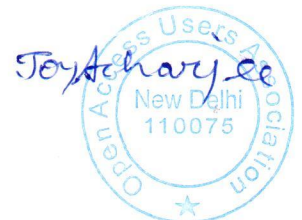
costs (inclusive of fixed and variable charges) of top 5% power at the margin, excluding liquid fuel based generation, in the merit order approved by the SERC adjusted for average loss compensation of the relevant voltage level

and (b) the distribution charges determined on the principles as laid down for intra-state transmission charges.

Surcharge formula:

$$S = T - [C / (1 - L / 100) + D]$$

Where



S is the surcharge

T is the Tariff payable by the relevant category of consumers;

C is the Weighted average cost of power purchase including renewable purchase obligation

D is the Wheeling charge

L is the system Losses for the applicable voltage level, expressed as a percentage

The cross-subsidy surcharge should be brought down progressively and, as far as possible, at a linear rate to a maximum of 20% of its opening level by the year 2010-1.

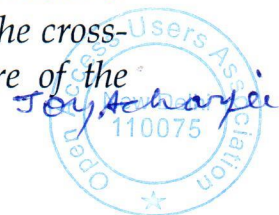
8.5.4. The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable 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."

9. It is relevant to highlight that the Hon'ble Supreme Court in the case of SESA Sterlite v OERC & Ors(2014) 8 SCC 444 has considered the nature and purpose of both cross subsidy surcharge and additional surcharge as under -

"26. However open access can be allowed on payment of a surcharge, to be determined by the State Commission, to take care of the requirements of current level of cross- subsidy and the fixed cost arising out of the licensee's obligation to supply. Consequent to the enactment of the Electricity (Amendment) Act, 2003, it has been mandated that the State Commission shall within five years necessarily allow open access to consumers having demand exceeding one megawatt.

(3) Cross Subsidy Surcharge (CSS): Its Rationale.

27. The issue of open access surcharge is very crucial and implementation of the provision of open access depends on judicious determination of surcharge by the State Commissions. There are two aspects to the concept of surcharge - one, the cross-subsidy surcharge i.e. the surcharge meant to take care of the



requirements of current levels of cross-subsidy, and the other, the additional surcharge to meet the fixed cost of the distribution licensee arising out of his obligation to supply. The presumption, normally is that generally the bulk consumers would avail of open access, who also pay at relatively higher rates. As such, their exit would necessarily have adverse effect on the finances of the existing licensee, primarily on two counts – one, on its ability to cross-subsidise the vulnerable sections of society and the other, in terms of recovery of the fixed cost such licensee might have incurred as part of his obligation to supply electricity to that consumer on demand (stranded costs). The mechanism of surcharge is meant to compensate the licensee for both these aspects.

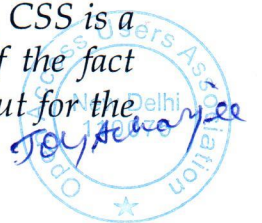
28. Through this provision of open access, the law thus balances the right of the consumers to procure power from a source of his choice and the legitimate claims/interests of the existing licensees. Apart from ensuring freedom to the consumers, the provision of open access is expected to encourage competition amongst the suppliers and also to put pressure on the existing utilities to improve their performance in terms of quality and price of supply so as to ensure that the consumers do not go out of their fold to get supply from some other source.

29. With this open access policy, the consumer is given a choice to take electricity from any Distribution Licensee. However, at the same time the Act makes provision of surcharge for taking care of current level of cross subsidy. Thus, the State Electricity Regulatory Commissions are authorized to frame open access in distribution in phases with surcharge for:

(a) Current level of cross subsidy to be gradually phased out along with cross subsidies; and

(b) Obligation to supply.

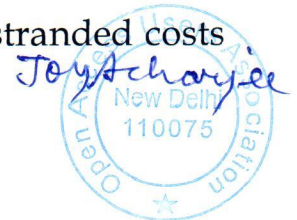
30. Therefore, in the aforesaid circumstances though CSS is payable by the Consumer to the Distribution Licensee of the area in question when it decides not to take supply from that company but to avail it from another distribution licensee. In nutshell, CSS is a compensation to the distribution licensee irrespective of the fact whether its line is used or not, in view of the fact that, but for the



open access the consumer would pay tariff applicable for supply which would include an element of cross subsidy surcharge on certain other categories of consumers. What is important is that a consumer situated in an area is bound to contribute to subsidizing a low and consumer if he falls in the category of subsidizing consumer. Once a cross subsidy surcharge is fixed for an area it is liable to be paid and such payment will be used for meeting the current levels of cross subsidy within the area. A fortiori, even a licensee which purchases electricity for its own consumption either through a "dedicated transmission line" or through "open access" would be liable to pay Cross Subsidy Surcharge under the Act. Thus, Cross Subsidy Surcharge, broadly speaking, is the charge payable by a consumer who opt to avail power supply through open access from someone other than such Distribution licensee in whose area it is situated. Such surcharge is meant to compensate such Distribution licensee from the loss of cross subsidy that such Distribution licensee would suffer by reason of the consumer taking supply from someone other than such Distribution licensee.

(4) Application of the CSS Principle²⁹. In the present case, admittedly, the Appellant (which happens to be the operator of an SEZ) is situate within the area of supply of WESCO. It is seeking to procure its entire requirement of electricity from Sterlite (an Independent Power Producer ("IPP")) (which at the relevant time was a sister concern under the same management) and thereby is seeking to denude WESCO of the Cross Subsidy that WESCO would otherwise have got from it if WESCO were to supply electricity to the Appellant. In order to be liable to pay cross subsidy surcharge to a distribution licensee, it is necessary that such distribution licensee must be a distribution licensee in respect of the area where the consumer is situated and it is not necessary that such consumer should be connected only to such distribution licensee but it would suffice if it is a "consumer" within the aforesaid definition."

10. Therefore, the principle laid down by the Hon'ble Supreme Court is that additional surcharge has a 'compensatory' nature and is for compensation to the Distribution licensees for the stranded costs



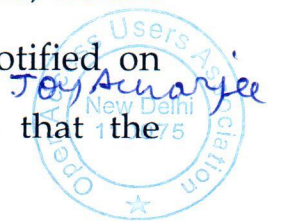
and that Cross Subsidy Surcharge is to compensate the DISCOMS from loss of cross subsidy that such Distribution licensee would suffer by reason of the consumer taking supply from someone other than such Distribution licensee. However, if no loss or lesser loss suffered by the Distribution Licensees /Petitioners, there cannot be any question of granting compensation or higher compensation to them.

SPECIFIC OBJECTIONS

Objections towards levy of Additional Surcharge:

A|11. No Surplus Energy:

- a. Clause 10 of the petition for Additional Surcharge (AS) States that there was a decrease in sale of power from approved level of sale to the tune of 2,406 MU. As per NTP, 2016, AS can only be calculated on stranded power, which has been and continues to be stranded. Although there is a decrease between approved sales and actual sales of DISCOM., the data in TS TRANSCO for the period starting from 1st April, 2016 to 31st March,2017 shows that there has been no surplus or deficit in Energy capacity of the state for the FY 2016-17. Thus, no power can be said to be stranded and continue to be stranded which is not at par with the condition to levy of Additional Surcharge as per Clause 8.5 of National tariff Policy, 2016.
- b. Also as per Retail Supply Tariff order for FY 2017-18, Clause (2.3) Sub-Clause (2.3.8) of the Commission as notified on 26.08.2017, the Commission is of the opinion that the



projection of the amount of Surplus Energy available as per DISCOM may vary as per practical scenario. The relevant portion is as follows

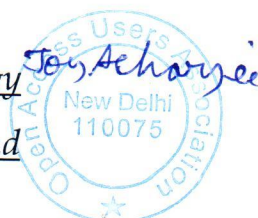
“2.3.8 Power purchase plan:

The Commission has.....peak demand as well as peak energy requirement. Further, the surplus energy available as projected may vary based on the actual consumption pattern and actual availability of power from different contracted sources.”

Hence, practically the state may not be in such a surplus state so as the generation backing down will prove to be a heavy burden and also ‘continue to be stranded’ as the surplus power can also be sold in market, in turn, earning revenue.

- c. That as per CEA Load Generation Balance Report there was no Surplus or Deficit for the Year 2016-17 both for Energy requirement and Peak Demand. Hence, no concept of stranded assets are applicable and also no stranded assets continue to be stranded.
- d. Notice must be brought to the data as given by CEA in its LGB Report of 2017-18 Sec (3.2.3), that although there was a power shortage, Telengana had managed the demand and supply equalization by Demand Side Management. The relevant portion is produced below,

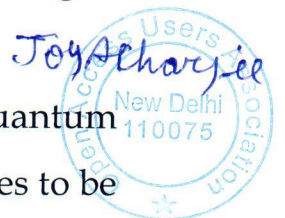
“Andhra Pradesh and Telangana experienced no energy shortages against forecasted energy shortages of 7.6% and



3.3% respectively. While the former managed its shortage by arranging additional power, the latter managed it through demand side management."

From an optimistic view, this point can be taken as beneficial for the DISCOM. as due to the consumers opting for Open Access, the DISCOM's obligation to supply power to all its consumers had decreased due to which mending the bridge between Demand and Supply was possible. Hence points to the fact that the shifting of Embedded Consumers to Open Access has not only proved beneficial but also an asset which needs to be utilized to the fullest, not by curbing its spirit but encouraging it.

- e. Notice must be drawn to the fact that as per CEA LGBR 2017, the state of Telengana will face a deficit of 10.1% in peak power availability which points to the fact that procurement of generated power by DISCOM. is not enough to fulfil the peak power requirement of the state. In this scenario, when a consumer avails the provision of Open Access, it is indirectly benefitting the DISCOM. by reducing the load and requirement of power from the DISCOM helping to achieve its state power requirements. The imposition of Additional Surcharge, will in turn, discourage this move by the consumer and prove to over-burden the DISCOM leading to **power holidays.**
- f. That the DISCOM. should conclusively prove the quantum of power being stranded which has been and continues to be



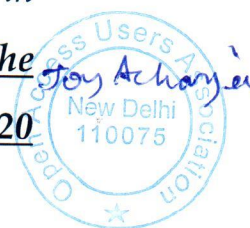
stranded, by providing hourly data of stranded capacity else the same is liable to be disapproved due to failure of "conclusive demonstration" of the stranded capacity as demanded by DISCOM.

12. Sale of Surplus Energy:

Hon'ble TSERC, in its Retail Supply Tariff Order 2016-17, has laid down in Clause 5.43 "Sale of Surplus Energy" that surplus energy shall be sold through IEX/PXIL/bilateral trading with an average rate of Rs. 4.09/kWh. The relevant portion is given as follows

"Sale of surplus energy

The Commission after analyzing the previous year IEX/PXIL data for southern grid has considered the average rate of INR 4.09/kWh for sale of surplus power through IEX/ PXIL/bilateral trading. For FY 2016-17, energy dispatch is 52,063 MU against an availability of 56,400 MU which leads to an excess energy quantum of 4337 MU. As sale of surplus energy has been considered at Rs 4.09 /kWh, stations having variable rate more than Rs 4.09 /kWh are to be backed-down even if there is excess available from those stations. Accordingly, only the quantum of surplus energy from stations having variable rate below Rs. 4.09/kWh are to be sold. The differential price (difference between the variable cost of the station and selling price of Rs. 4.09/kWh) is the savings in power purchase cost due sale of excess energy. The Commission has estimated savings to be INR 220



Crores for FY 2016-17 which has been reduced from the total power purchase cost to arrive at the net power purchase cost."

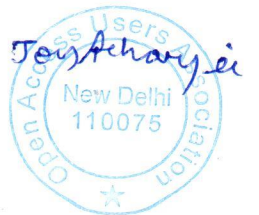
Hence, considering the applicability of this order to be followed by the DISCOM., excess power so generated and un-utilised, shall be sold through IEX/PXIL/Bilateral which further proves that there has been and shall be, no stranded capacity. Further, the income generated by the DISCOM. on sale of power should be included in its calculation of revenue.

13. Roadmap to 'progressively reduce' the charges and surcharges:

That the Commission has also directed the DISCOM. to be consistent and comply with Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005, where it is required by the DISCOM to lay down a Resource Plan which requires the DISCOM. to provide Sales Forecast, Load Forecast, Power Procurement Plan and a Distribution Plan (Capital Investment Plan) as per Clause (2.3) Sub-Clause (2.3.8)(b). The relevant portion is given below

"2.3.8 Power purchase plan:

a. The Commission has considered the energy availability from various contracted long-term sources of power considering the actual generation in the past and the projected generation for FY 2017-18. The Licensees should meet the peak requirement in terms of demand (MW) and energy requirement (kWh). The Licensees should contract for adequate generation capacity



through an optimal mix of long-term, medium-term and short-term sources, to meet the peak demand as well as peak energy requirement. Further, the surplus energy available as projected may vary based on the actual consumption pattern and actual availability of power from different contracted sources.

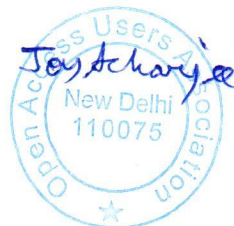
b. Clause No. 9 of Regulation No. 4 of 2005 stipulates that the Distribution Licensee should file the resource plan on 1st April of the year preceding the first year of the Control Period. The Commission directs the Licensees to comply with Clause No. 9 of Regulation No. 4 of 2005 for the next Control Period commencing on 01.04.2019.

Thus the DISCOM. has not shown the roadmap on the trend of Load and Sales which shall give the roadmap on how to 'progressively reduce' the charges and surcharges as per Sec 42, Clause 2 of Electricity Act, 2003.

14. Reason of levy must be stranded capacity:

DISCOM has cited the reason of levy of Additional Surcharge as "expectation" under Clause 12 of the petition of Additional Surcharge, which is non-compliant with the reason of levy of Additional Surcharge as per Clause 8.5 of National Tariff Policy, 2016. The relevant portion is extracted below

"Licensee humbly submits that while filling ARR for FY 2017-18, licensee understood that significant portion of open access sales would come back to the grid. Hence the state DISCOMs had assumed a growth rate of 12% for HT - I (A) industrial sales at state level. If no additional surcharge is applied on the open access sales, it is expected that HT - I (A) industrial



sales may see a decline in sales from the licensee in spite of projected growth rate of 12%.

15. **Ambiguity in Calculation at para 15 of I.A. of 22 of 2017:**

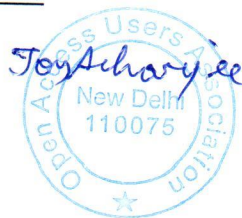
a. DISCOM. has put forward a methodology of calculation of Additional Surcharge under para 15 of the petition of Additional Surcharge. Notice must be brought to the fact that, as per Clause 6.5, Sub-Clause 11 of Indian Electricity Grid Code, 2010, has been reproduced below,

“Clause (6.5) Sub-Clause (11) “Since variation of generation in run-of-river power stations shall lead to spillage, these shall be treated as must run stations. All renewable energy power plants, except for biomass power plants, and non-fossil fuel based cogeneration plants whose tariff is determined by the CERC shall be treated as ‘MUST RUN’ power plants and shall not be subjected to ‘merit order dispatch’ principles.”

Also as per Clause 11 of CERC(Terms and Conditions for tariff Determination from Renewable Energy Sources) Regulations, 2017, Section 11 has been reproduced below:

“Despatch principles for electricity generated from Renewable Energy Sources:

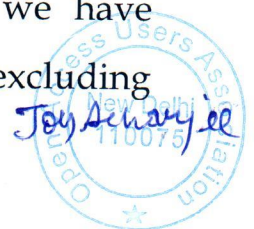
(1) All renewable energy power plants except for biomass power plants with installed capacity of 10 MW and above, and non-fossil fuel based cogeneration plants shall be treated as ‘MUST RUN’ power plants and shall not be subjected to ‘merit order despatch’ principles.



(2) The biomass power generating station with an installed capacity of 10 MW and above and non-fossil fuel based co-generation projects shall be subjected to scheduling and despatch code as specified under Indian Electricity Grid Code (IEGC) and Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014 including amendments thereto."

To bring in consistency and to comply with the IEGC, 2010 regulations, and CERC (Terms and Conditions of Tariff Determination), it must be noted that Renewable Energy generating plants enjoy a status of "MUST RUN" and should not be backed down in any condition whatsoever. Thus the same should not be considered while calculating Fixed cost of stranded assets.

- b. That notice must be brought that at the denouement of calculation of Additional Surcharge provided by DISCOM. in para 15 of Additional Surcharge petition, the transformation of kW to kVA was done, as can be seen in 'SN' no. 'e' of calculation of additional Surcharge provided in the petition, is totally unclear as to what value of power factor has been considered for the required transformation. The DISCOM. should provide a detailed calculation on the derivation of values as this may contain redundancy, ambiguity and unclear information.
- c. That considering the above mentioned factors we have provided a calculation of Additional Surcharge excluding



the Fixed Cost (FC) of renewable and hydro power plants as they enjoy a status of "MUST RUN" and thus cannot be considered to be stranded, considering a p.f. of 0.95 to convert kVA to kW and vice versa which is annexed as Annexure O1 with this objection, where calculation shows that the amount of Additional Surcharge to be charged on excluding fixed cost of Renewable and Hydro comes out to be Rs. 0.45 per kVAh.

A/ 16. **References of Judgement:** That in the appeals filed before Hon'ble APTEL vide Nos. 169,170,171,172 of 2005 & 248, 249 of 2006 by M/s. RVK Energy & Others against the orders of Hon'ble Andhra Pradesh Electricity Regulatory Commission in regard to determination of Cross Subsidy Surcharge, Hon'ble APTEL had specified that the **main objective and spirit of the Electricity Act, 2003** (herein referred as the Act) should be clearly understood in order to understand the reason and logic behind levy of Charges. Relevant provision of the judgement is given below,

Clause (26) of the referred judgement states, "*It must not be forgotten that wheeling charges and the surcharge are not the only charges which a consumer is required to pay for using open access. It may also be required to pay additional surcharge on the charges of wheeling to meet the fixed cost of the distribution licensee under sub-section (4) of Section 42 of the Act. The Regulatory Commissions are required to keep in view the fact that the concept of equal opportunity is essential element of open access woven into the fabric of the aforesaid provisions. In case use of open access by a consumer is made onerous by imposing excessive levies, it will*"

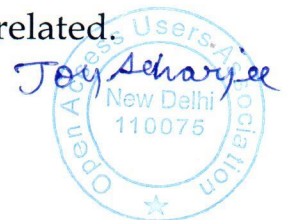


amount to barring open access to him. This will result in discrimination of the consumer qua the licensee and generator. Therefore, the above provisions must be looked at, keeping in view the object and reasons of the Act. The provisions must be worked out to promote open access as it will boost competition. Competition benefits the consumer. It pulls down the prices. It improves the quality of service to the consumers. In case open access is inhibited by making it un-economical for the consumer to choose its source of power, it will have deleterious effect on competition resulting in scarcity of electricity and high tariff. Open access must be utilized to mop up every bit of power available with the generators to surmount shortages and outages of electricity. This is possible in case the surcharge and additional surcharge is reasonable."

As evident from the petition filed by Telengana DISCOMs to impose Additional Surcharge on the consumer of Open Access in the state of Telengana, that imposition of Rs. 1.95/kVAh of Additional Surcharge is against the spirit of Open Access as it will not only curb competition instilled by Open Access but also will discourage buyers from purchasing costly power which will discourage the generating station from adding more capacities.

17. That from the above mentioned facts 7 circumstances it is put forward that I.A. No. 22 of 2017 filed by petitioner is devoid of any merit and deserves to be dismissed in *limine*.

The grounds raised by the petitioner to substantiate the levy of AS is untenable in view of Laws, regulations and orders related.



Further the data and the facts provided by petitioner in I.A. 22 of 2017 also does not conclusively demonstrates its contentions for the levy of AS.

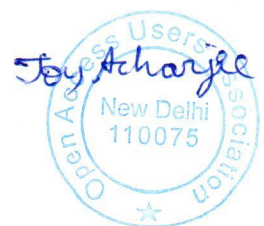
18. In the circumstances mentioned above, it is respectfully submitted that there is no merit whatsoever in the present petition filed and the same is liable to be dismissed

19. Hence it is prayed before the Hon'ble Commission to :

- Dismiss the claim of the petitioner on the demand of additional surcharge as it is devoid of any merit.
- Direct the DISCOMs to sell the surplus energy, if available as demanded by the DISCOM, as per the direction of Commission to be given as had been given in RST 2016-17.
- Take the Objections/Suggestions filed by the objector may kindly be taken in record & considered.
- Kindly permit the Objector to participate in the proceeding of I.A. no. 22 of 2017 of O.P. 22 of 2016.
- To kindly permit the objector to file other & further grounds in the matter as necessary for the purpose of assisting the Hon'ble Commission.
- Any other direction as the Hon'ble commission thinks fit in the interest of the case.

**BEFORE THE HON'BLE TELENGANA STATE ELECTRICITY
REGULATORY COMMISSION.**

IN THE MATTER OF:



Telangana State Southern Power Distribution Company Limited.

Telangana State Northern Power Distribution Company Limited.

..Petitioners

AND

Open Access Users Association

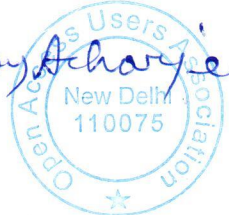
.....Objector

Name and Address	Brief details of Objection/suggestion Objection against proposal of Southern Power Distribution Company of Telengana Ltd. and Eastern Power Distribution Company of AP Ltd.	Objection against proposal of Southern Power Distribution Company of Telengana Ltd. and Northern Power Distribution Company of	Whether copy of Objection or proof of delivery at licensee's office enclosed (Yes/No)	Whether objector wants to be heard in person.

Joy Achary ee
New Delhi
110075
Open Access Users Association

		Telengana Ltd.		
Joy Acharjee, S/O Sanjib Kumar Acharjee. On behalf of Open Access Users Association Address: D21, Corporate Park, 2nd Floor, Block -201 B, Dwarka Sector 21, New Delhi - 110075	Comments and Suggestion on the Additional Surcharge proposed for FY 2017-2018 by TSSPDCL and TSNPDCL	Chief General Manger of Southern Power Distribution Company of Telengana Ltd. and Northern Power Distribution Company of Telengana Ltd.	No	Yes

Joy Acharjee
New Delhi
110075



BEFORE THE TELANGANA ELECTRICITY REGULATORY COMMISSION
HYDERABAD

CASE NO. I.A. 22 of 2017 in O.P. No. 22 of 2016

IN THE MATTER OF:

Reply on behalf of Open Access Users Association to I.A. 22 of 2017 in O.P. 22 of 2016 filed by TSSPDCL before TSERC

RESPONDENT:

Open Access Users Association
2nd Floor, D21 Corporate Park
Sector-21, Dwarka
New Delhi- 110075
T: +91 11 65651994
E-mail: info@openaccessforum.org

Affidavit verifying the Reply

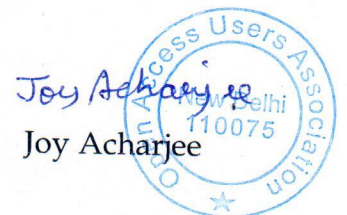
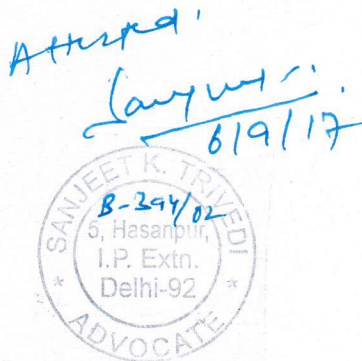
I, Joy Acharjee, son of Mr. Sanjib Kumar Acharjee, aged 24 working at 2nd Floor, D21 Corporate park, Sector- 21 Dwarka, New Delhi- 110075 do solemnly affirm and say as follows:

1. I am the respondent in the above matter and am duly authorized by the said respondent to make this affidavit.
2. The statements made in paragraphs 1-6 & 11-15 of the reply herein now shown to me and marked with the letter " A" are true to my knowledge and the statements made in paragraphs 7-10 & 17-19 are based on information and I believe them to be true.

Solemnly affirm at New Delhi on 06th September, 2017 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Place: New Delhi

Date: 06/09/2017



Sl. No.	Component	Value	Units	Comments
a	Total Power Purchase Cost for FY 2017-18	24421.00	Rs. crs	As given by DISCOM.
b	FC including renewable and hydro	13898.00	Rs. crs	As given by DISCOM.
c	FC excluding Renewables and hydro	6280.57	Rs. crs.	As given by DISCOM., FC of Renewables and Hydro Power Plant amount to Rs. 7617.43 crs. which has been subtracted from total. (b-7617.43)
d	Average Peak demand of state met in FY 2016-17	7642.00	MW	As given by DISCOM.
e	Average Peak demand of state met in FY 2016-17	8044.21	MVA	Taking a p.f. of 0.95 (d/0.95)
f	Peak Demand of the state met in FY 2016-17	9191.00	MW	As given by DISCOM.
g	FC to be recovered	650.63	Rs./kVA/month	(c*10000/e/12)
h	FC recovered via Fixed Charges (Considering a p.f. of 0.95)	390.00	Rs./kVA/month	As given by DISCOM.
i	FC to be recovered via AS	260.63	Rs./kVA/month	(g-h)
j	FC to be recovered by AS per day	8.69	Rs./kVA/day	(i/30)
k	Additional Surcharge needed to be charged for FC to be recovered assuming 80% LF of open access capacity	0.45	Rs./kVAh	(j/24)