



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

O. P. (SR) No. 27 of 2024

Dated 10.07.2024

Present

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

Between:

Southern Power Distribution Company of Telangana Limited,
6-1-50, Corporate Office, Mint Compound, Hyderabad,
Telangana State 500 063.

... Petitioner

AND

- None -

... Respondent

The petition at SR stage came up for hearing with regard to maintainability on 01.07.2024 in the presence of Sri. Mohammad Bande Ali, Law Attaché representing on behalf of petitioner along with Sri. Sunil Kumar, DE (RAC) and matter having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

Southern Power Distribution Company of Telangana Limited (TGSPDCL) (petitioner) has filed a petition under clause 12.5.6 of Regulation No.1 of 2023 seeking determination of fuel cost adjustment (FCA) for the quarter ending by March 2024.

2. The petitioner has sought the following prayers in the petition.

- “(i) To consider and approve TGSPDCL’s application for post facto approval for fuel cost adjustment for Q4 of FY 2023-24 including all requested regulatory treatment in the filing.*
- “(ii) To grant suitable opportunity to TGSPDCL within a reasonable time frame to file additional material information that may be subsequently*

available.”

3. The Commission has heard the representatives of the petitioner and also considered the material available on record. The submissions made on the date of hearing are noticed and extracted below:

Record of proceedings dated 01.07.2024:

... .. The representative of the petitioner stated that the petition is filed for ratification of the fuel cost adjustment charges for 4th quarter of FY 2023-24. The Commission sought to know from the representatives of the petitioner as to why the regulation is not implemented by levying the FCA charges on the consumers. It is stated that they have addressed the issue to the Government of Telangana requiring it to give instructions and also provide subventions, if any. On the particular question as to why the regulation has not been implemented thoroughly, there is no specific or appropriate reply from the representatives, except reiterating the submissions made above. In view of the untenable reasons and non-compliance of the regulation with regard to levy and collection of FCA charges, ratification of such levy would not arise.”

4. The Commission had notified the Regulation No.1 of 2023 being the Telangana State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Third Amendment Regulation, 2023. The said Regulation had required the distribution licensees in the state of Telangana to effect collection of FCA charges by accounting and billing the same on the consumers and obtaining the post facto approval of the billing and collection from the Commission.

5. The relevant provisions are extracted below:

“12.5.2 Collection of FCA charges

- a. Every distribution licensee shall levy the FCA charges on its consumers as per the voltage level on the consumed units (in kWh) during the billing month in accordance with the provisions in this Regulation as a part of the retail supply tariff payable by a consumer;
Example: The FCA charges calculated for Nth month shall be levied on the units consumed during (N+2nd) month and shall be included in bills to be issued in (N+3rd) month.
- b. The maximum amount of FCA charges that can be levied on the consumers as per this Regulation without the prior approval of the Commission is Rs.0.30 per unit (in kWh):

Provided that where the FCA charges in any billing month exceeds Rs.0.30 per unit, the distribution licensee shall not recover FCA charges in excess of Rs.0.30 per unit without prior approval of the Commission: Provided further that where the amount of FCA charges is negative, the entire savings in FCA charges shall be passed on to the consumers.

- c. *FCA charges shall be passed on to all categories of consumers except LT-V Agricultural consumers and distribution licensee shall claim the FCA charges of LT-V Agricultural consumers from the Government of Telangana. Such claims if not received from the Government of Telangana shall not be allowed in annual true up filings.*
- d. *In the event of failure of distribution licensees in passing over the FCA charges within the timelines, such claims shall not be allowed in the process of passing through of gains and losses on variations in uncontrollable items of ARR if FCA charges is positive and shall be reduced from the ARR of the ensuing tariff year if the FCA charges is negative.*
- e. *For all consumer categories including those for which the billing is being done on kVAh basis, FCA charge shall be billed on the electrical energy recorded in kWh.*

12.5.4 Accounting and Billing of FCA charges:

- a. *The distribution licensees shall indicate the FCA charges and amount separately in the consumer bills and record the amount of FCA collected under a separate head of account in its books of accounts.*
- b. *The FCA charges determined as per formula provided in this Regulation shall be in Rupees per unit rounded off up to two decimal places.*
- c. *All documents to be furnished to the Commission for post facto approval and approval of FCA above the ceiling price shall be duly signed by authorized representative of the distribution licensee duly certified by a Chartered Accountant.”*

12.5.5 Information and Publication of FCA charges

- a. *The gist of FCA charges computation should be widely publicized by the distribution licensee in two (2) English, two (2) Telugu and One (1) Urdu leading daily newspapers having wide circulation in their areas of supply for information to consumers, apart from placing in its official website.*
- b. *Calculating of the FCA charge in Rupees/kWh for the particular month shall be displayed by the distribution licensee in its website for the information of the consumers, which shall remain on the website till passing through of gains and losses on variations in uncontrollable items of ARR of particular year is completed.*
- c. *If FCA to be recovered is more than ceiling price, Licensees shall levy FCA up to ceiling price on its consumers and shall approach the Commission for approval of FCA charges over and above the ceiling price.*
- d. *If FCA charges to be refunded, distribution licensee shall refund total FCA charges without any ceiling price and shall approach the Commission for approval of FCA charges.*

12.5.6 Post-facto and other approvals by the Commission

- a. *The distribution licensee shall file with the Commission, the detailed computations of FCA charges and supporting documents as may be*

required for verification by the Commission after completion of the quarter.

- b. *The Commission will prudently verify the calculations and relevant information submitted by the distribution licensee and determine the FCA charges of each month in that quarter as per the procedure stipulated in 'Conduct of Business' Regulations, 2015 (Regulation No.2 of 2015) as amended from time to time.*
- c. *The distribution licensee, after completion of audited annual accounts, shall file the true up petition for passing through of gains and losses by claiming variations in "uncontrollable" items in the ARR for the year and also submit details of FCA charges already passed on to the consumers along with the true up petition to the Commission. In case of failure of distribution licensee in filing of true ups of uncontrollable items, the distribution licensee shall not claim the FCA charges in the consumers bill till the true-up petitions for claiming the variations in uncontrollable items are filed.*

12.5.6 Timelines

The distribution licensee shall compute the FCA charges of Nth month, publish and display the FCA charges in the official websites of distribution licensee by 15th of (N+2nd) month. The FCA charges calculated for Nth month shall be levied on the units (in kWh) consumed during (N+2nd) month and shall be included in bills to be issued in (N+3rd) month. After completion of a quarter year, the distribution licensee shall file before the Commission, the detailed computations of FCA charges and supporting documents as may be required for verification by the Commission within 60 days from the last day of the quarter for post-facto approval of the Commission."

6. As such, the petitioner ought to have filed the present petition, only after complying with the provisions of Regulation No.1 of 2023 viz., computation of FCA charges and its publication in daily newspapers, display of FCA charges on the official website and levy & collection of FCA charges. Nowhere in the petition, the petitioner has mentioned the compliance of the provisions of the above-said Regulation. Even at the time of the hearing, no information is placed for consideration as to the actions required to be done by the petitioner under the Regulation as extracted above.

7. In the absence of the requisite action by the petitioner to give effect to the provisions of the Regulation made by the Commission, the reasons afforded at the time of hearing also do not enthruse the Commission to entertain this petition. Owing to these reasons and the fact that no levy is initiated and amounts collected, this petition would not have any legs to stand as it is with reference to post facto approval of such levy and collection as provided in the Regulation.

8. Accordingly, the present petition of the petitioner is not maintainable and is rejected, but without any costs.

This order is corrected and signed on this the 10th day of July, 2024.

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

