

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT
PANCHKULA**

Case No. HERC/PRO-14 of 2016

Date of Hearing : 27.10.2016

Date of Order : 14.12.2016

In the Matter of

Determination of Additional Surcharge to be levied on Open Access Consumers in compliance of the directions of the Commission in the Order dated 01.08.2016 (Case No. HERC/PRO-14 of 2016).

Petitioner

M/s Uttar Haryana Bijli Vitran Nigam (UHBVN) on behalf of both the Discoms

Respondent

General Public

Present

On behalf of the Petitioner

Shri Harish Pant, XEN / RA, UHBVN

On behalf of the Respondent(s)/General Public

1. Shri R.K. Jain, JSL
2. Shri Vishal Sharma, FIA & DCM
3. Shri O.P. Aggarwal, JSL

Quorum

**Shri Jagjeet Singh,
Shri M.S. Puri,
Shri Debashish Majumdar,**

**Chairman
Member
Member**

ORDER

Brief Background of the Case

1. The Commission, in its Order dated 01.08.2016, in the matter of "Petition under Section 42 of the Electricity Act, 2003 read with Regulation 22 of the Haryana Electricity

Regulatory Commission (Terms and Conditions for Grant of Connectivity and Open Access for Intra-State Transmission and Distribution System) Regulations, 2012 for approval of Additional Surcharge to the Discoms –UHBVN and DHBVN in reference to the Open Access for the FY 2015-16 to be recovered in the FY 2016-17”, had directed the DISCOMs as under:-

“The Discoms are advised to take timely action for submission of supporting data / details for the next six months and also host the same on its website.”

2. Accordingly, UHBVNL on behalf of both the DISCOMs, filed the data relating to Additional Surcharge for second half of the FY 2015-16 providing station wise / source wise details, quantum of stranded power as well as costs thereto (vide memo no. Ch-28/GM/RA/N/F-15/Vol-VIII dated 06.10.2016).

3. UHBVNL submitted the methodology adopted for computation of Additional Surcharge is based on the methodology adopted by the Commission while calculating Additional Surcharge vide Order dated 01.08.2016 as under:-

- a) In order to ensure that only such surrendered power is taken for calculating Additional Surcharge, corresponding to stranded power as a result of power drawn by the consumers under Open Access mechanism, the lower of the quantum of Open Access power per slot and surrendered power for corresponding slot has been taken as quantum of stranded power.
- b) The DISCOMs have calculated slot wise stranded power and also the Open Access Power availed in that particular time slot. Thereafter, the DISCOMs have calculated total units in MUs, corresponding to the stranded power as above and total Open Access units (MUs) availed during the second half of the FY 2015-16.
- c) Accordingly, Additional Surcharge for second half of FY 2015-16 (in Rs. Crores) is calculated over the Units of Power (in MUs) evaluated as above for the second half of FY 2015-16 considering the per unit effective fixed charges as calculated below:-

Source	Haryana Quantum	Annual Fixed Charges (Rs. Million)
Singrauli STPS	1,386.23	745.97
Rihand I	391.54	366.51
Rihand II	343.35	382.79
Rihand III	337.63	508.48
Unchhahar I	60.09	67.12
Unchhahar II	125.69	146.94
Unchhahar III	130.97	117.03

Anta CCGT	66.70	129.74
Auraiya CCGT	108.37	155.86
Dadri CCGT	110.21	166.44
Faridabad	1,164.00	2,453.23
Farakka STPS	84.60	63.29
Kahalgaon I	219.04	168.23
Kahalgaon II	330.00	578.11
Salal I	478.24	257.97
Bairasiul	212.43	174.77
Tanakpur	28.66	34.88
Chamera I	360.01	279.41
Chamera II	79.83	135.90
Chamera-III	89.73	137.54
Dhauliganga	62.50	60.44
Dulhasti	114.30	363.55
Uri	142.91	126.97
Uri-II	59.87	183.77
Sewa II	29.58	82.13
Parbati-III	60.87	83.58
SJVNL	278.29	533.68
Rampur HEP	216.70	120.56
Tehri (THDC)	197.59	345.24
Koteshwar HEP	48.38	100.62
HPGCL	18,599.03	19,565.07
DVC Mejia-B	538.95	1,028.57
Koderma DVC	274.50	486.30
Mundra UMPP	2,436.46	2,380.98
Sasan UMPP	1,945.52	269.23
PTC GMR	1,464.00	2,049.54
IGSTPP, Jhajjar	2,747.75	7,016.96
Pragati Gas	194.00	1,187.39
MGSTPS, CLP,	5,764.50	8,124.36
Cogeneration	110.38	59.47
Total	41,393.40	51,238.61
Per Unit Fixed		1.24

- d) It has been submitted that the per unit Additional Surcharge applicable on the Open Access consumers in second half of FY 2016-17 (Rs./unit) has been calculated considering the total Open Access Units estimated for second half of FY 2016-17 and the Additional Surcharge (in Rs. Crores) determined by dividing the total Additional Surcharge with the estimated Open Access Units for second half of FY 2016-17 (considering same open access scenario as in second half of FY 2015-16) in MUs. The details of the backing down owing to Open Access in MW and MUs for calculation of Additional Surcharge and Open Access availed is given in the table below:-

Months	Average Quantum to be considered for Additional Surcharge in MW	Total Quantum to be considered for Additional Surcharge in MU	Average Quantum of Open Access in MW	Total Quantum of Open Access in MU
Oct-15	173.17	128.84	179.10	133.25
Nov-15	260.51	187.56	263.12	189.44
Dec-15	266.40	198.20	272.28	202.57
Jan-16	204.91	152.45	216.88	161.36
Feb-16	255.51	177.83	265.79	184.99
Mar-16	243.80	181.38	277.67	206.58
Grand Total	233.67	1,026.27	245.49	1,078.20

- e) It has been further submitted that the Additional Surcharge of Rs. 1.18/unit may be allowed to the DISCOMs for second half of FY 2016-17, as detailed below:-

Particulars	Units	Amount
Total Units of Power in MUs to be considered for Additional Surcharge	in MU	1,026.27
Effective Approved Fixed Cost considered for the purpose of Evaluating Additional Surcharge	Rs/ Unit	1.24
Total Additional Surcharge for the FY 2015-16	In Rs Crore	127.04
Open Access Units estimated for FY 2016-17 (considering same open access scenario as in FY 2015-16)	in MU	1,078.20
Per Unit Additional Surcharge applicable on the same Quantum of Open Access	Rs/ Unit	1.18

Public Hearing

4. In Order to afford an opportunity of presenting their views in the matter, the Commission held a public hearing on 27.10.2016. As the Interveners present in the hearing mostly reiterated their submissions already dealt in the Commission's Order dated 01.08.2016, for the sake of brevity the same is not being reproduced here.

5. The Objectors further argued that:

i) All the Power Purchase Agreements signed by the Discoms are not available to them which is the building block for assessing the power demand and supply position in Haryana and any PPA that may be stranded due to demand-supply mismatch and backing down of Generators thereto.

ii) The data provided for the calculation of additional surcharge should be authenticated and the same shall also be hosted on its website.

iii) One of the intervener informed that there should be transparency in the calculation of additional surcharge. Further, Hon'ble APTEL has approved some methodology for calculation of Additional Surcharge and it will provide a copy of the same to the Commission.

Commission's View on the Objections

The Commission directed the objectors to file their written comments/objection. However, none of the interveners file their written comments and relevant citation of the Hon'ble APTEL quoted by the intervener during the hearing. In order to avoid any further delay, the Commission proceeded with the Order.

Commission's Analysis & Order

- i) The Commission, while passing the Order dated 01.08.2016 (Case No. HERC/PRO-14 of 2016), had determined the Additional Surcharge of Rs. 0.87/kWh applicable from 1ST August, 2016. Further, the DISCOMs were advised to take timely action for submission of supporting data / details for the next six months and also host the same on its website. The said Order also provided that the Additional Surcharge shall continue to be effective till the same is revised / amended by the Commission.
- ii) The Commission reiterates its earlier Order dated 02.05.2016, reproduced below:
"6 After hearing the parties at length, the Commission directs the Petitioner as under:-
 - i) *On receipt of written request, make available all the PPAs signed by the Discoms and approved by the Commission, for inspection of the Objectors."*
- iii) Accordingly, the DISCOMs have filed the requisite data, which has been examined as under:
 - a) That the Petitioner has worked out backing down quantum day-wise, slot-wise for the corresponding six months of FY 2015-16, from the implemented schedule and the entitlements as per their last revision, for the particular day, as available on the NRLDC/SLDC websites (www.nrldc.org.in and www.haryanasldc.org.in).
 - b) That due to the change in the declared capacity of the inter-State generator during the day, the change in entitlement of the State from that particular Generator, is automatically accounted for.
 - c) The above process adopted by the Petitioner for calculating the backing down quantum of power has been checked on sample basis and found to match with the data supplied. It has been further observed that the generating units which are not on bar due to less demand have not been considered and only the running units backing down has been considered for arriving at the stranded cost of power for determination of additional surcharge.

- d) While calculating fixed cost for the purpose of estimating Additional Surcharge, DISCOMs have taken fixed cost for the FY 2015-16. Further, they have considered only that much quantum of purchase, which has fixed cost component. Thus, DISCOMs have taken net purchase quantum as 41393.40 MUs i.e. total purchase quantum approved by the Commission for the FY 2015-16 i.e. 56070.92 MUs minus purchase quantum not having fixed cost component– 14677.50 MUs.
- e) The Commission while approving Additional Surcharge, to be levied w.e.f. 01.08.2016, had considered fixed cost approved for the FY 2016-17 i.e. Rs. 5877.111 Crore minus PGCIL transmission charges Rs. 896.73 Crore, divided by approved volume i.e. 5395.817 Crore units i.e. Rs. 0.92 /kWh. The Commission, for the purpose of the present Order, has considered it appropriate to continue with the same methodology.
- f) As discussed above, the Commission has estimated Additional Surcharge on the same basis as determined in the Order dated 01.08.2016, as follows:-

Months	MW	MU	OA (MW)	OA (MU)	
	A= Lower of Open Access and Backing down	B= A converted into MU	C= Open Access	D= C converted into MU	
Oct-15	173.17	128.84	179.10	133.25	
Nov-15	260.51	187.56	263.12	189.44	
Dec-15	266.40	198.20	272.28	202.57	
Jan-16	204.91	152.45	216.88	161.36	
Feb-16	255.51	177.83	265.79	184.99	
March-16	243.80	181.38	277.67	206.58	
Total	1,404.29	1,026.27	1,474.83	1,078.20	
Monthly Average	234.05	171.05	245.80	179.70	
Quantum considered for Addl. Surcharge (lower of the power backed down/surrendered and open access power)				MU	171.05
Per Unit Fixed Cost of Power Purchase for the FY 2016-17				Rs/kWh	0.92
Avg. Additional Surcharge for the FY 2016-17				Rs. Millions	157.36
Monthly Open Access Power (same as FY 2015-16)				MU	179.70
Additional Surcharge (rounded off)				Rs/kWh	0.8756

It is observed from the above calculation that there is no significant change in the Additional Surcharge now worked out on the basis of the data submitted by the DISCOMs for the period from 01.10.2015 to 31.03.2016 vis-à-vis that determined by the Commission in its Order dated 01.08.2016.

Thus, it is conclusively established, from the data submitted for the 2nd half of the FY 2015-16 that the obligation of the distribution licensee(s) to pay fixed cost of power purchase under long term Power Purchase Agreements has been and continues to be stranded. **Hence, the Commission Orders that the Additional Surcharge in vogue i.e. Rs. 0.87/Unit shall continue to be in effect till such time the same is revised / amended by the Commission. The DISCOMs are advised to take timely action for submission of supporting data / details for the next six months and also host the same on its website.**

The Additional Surcharge of Rs. 0.87/kWh shall be applicable to the consumers of Uttar Haryana Bijli Vitran Nigam (UHBVN) and Dakshin Haryana Bijli Vitran Nigam (DHBVN) who avail power under the Open Access mechanism in terms of Haryana Electricity Regulatory Commission (Terms and Conditions for Grant of Connectivity and Open Access for Intra-State Transmission and Distribution System) Regulations, 2012, from any source other than the distribution licensees.

This Order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 14th December, 2016.

Date: 14.12.2016
Place: Panchkula

(Debashish Majumdar)
Member

(M.S. Puri)
Member

(Jagjeet Singh)
Chairman