

Summary

Petition filed by TPL before the Hon'ble GERC vide Case No.1763/2018

Torrent power Limited-Ahmedabad Generation

Background

- 1.1 As per the provisions of the MYT Regulations, 2016, TPL has filed this petition before the Hon'ble Commission for approval of:
1. Truing up of ARR for FY 2017-18 and sharing of gains/losses on account of controllable/un-controllable factors,
 2. Mid-term Review of FY 2019-20 and FY 2020-21, and
 3. Determination of tariff for FY 2019-20

True Up for FY 2017-18

- 1.2 The Hon'ble Commission had approved the ARR for FY 2017-18 for TPL's Ahmedabad Generating facility as per the MYT Order in Case No. 1626 of 2016 dated 9th June, 2017. This was based on the projections for FY 2017-18. The ARR approval is subject to truing up based on the actual data for FY 2017-18.
- 1.3 TPL, for the purpose of true-up exercise in accordance with the MYT Regulations, 2016, has filed this petition on the basis of the Hon'ble Commission's MYT Order in Case No. 1626 of 2016 dated 9th June, 2017.
- 1.4 TPL has considered the following parameters for true-up of ARR for TPL-G (APP).
- a) Variation in variable cost on account of variation in fuel prices and operational parameters such as PLF, Auxiliary Consumption, SFC.
 - b) Variation in fixed cost such as O&M expense, Interest expenses, Depreciation, Return on Equity, Income Tax and Non-Tariff Income.
 - c) Sharing of gains/losses considering the controllable & uncontrollable factors.
- 1.5 TPL-G (APP) has made its best efforts to maintain the efficiency parameters as approved by the Hon'ble Commission. The variation in variable cost is mainly on account of uncontrollable factors such as change in offtake, fuel price, mix and calorific value. It also includes the variation in efficiency parameters like secondary fuel consumption, auxiliary consumption and station heat rate, which are controllable.

- 1.6 Based on the actual achievement of efficiency parameters, TPL has computed the gains/losses and consequently the sharing of gains/losses. TPL submits that a loss of Rs. 10.42 Crore has resulted due to uncontrollable factors and a gain of Rs. 34.14 Crore has resulted due to controllable factors. Accordingly, the net amount of Rs. (0.96) Crore is proposed to be passed through as tariff in accordance with the MYT Regulations, 2016. TPL has requested the Hon'ble Commission to consider the computation of variable charges corresponding to actual operational parameters, actual fixed cost and sharing of gains/losses in accordance with the MYT Regulations, 2016. TPL has requested the Hon'ble Commission to approve the truing up of ARR for TPL-G (APP) as proposed based on the above computations.
- 1.7 The truing up for TPL-G (APP) is shown in the table below.

Table 1: Trued-up ARR of TPL-G (APP) for FY 2017-18

All figures in Rs. Crore		
ARR as per MYT	(a)	1,094.44
Gains/(Losses) due to Uncontrollable Factors	(b)	(10.42)
Gains/(Losses) due to Controllable Factors	(c)	34.14
Pass through as tariff	$d=-(c/3+b)$	(0.96)
Trued up ARR	$e=a+d$	1,093.48

- 1.8 TPL has requested the Hon'ble Commission to approve the ARR as per the computation provided hereinabove.

Revised ARR of FY 2019-20 and FY 2020-21 based on Mid-term Review

- 1.9 The Hon'ble Commission has approved the ARR for the entire control period of FY 2016-17 to FY 2020-21 while passing the Order in Case No. 1626 of 2016.
- 1.10 TPL has revised the ARR for FY 2019-20 and FY 2020-21 to the extent of variable cost based on the assumptions as outlined below:
- Operational Parameters: The operational parameters such as PAF and PLF have been revised based on current situation and likely estimates, whereas Auxiliary consumption, SHR, SFC and transit losses are taken as approved by the Hon'ble Commission. TPL has not factored the effect of uncontrollable factors such as variation in demand in the present petition and requests to allow such variation as uncontrollable at the time of truing up exercise.
 - Base Fuel Price & Calorific Value: The base fuel price and calorific value proposed for FY 2019-20 and FY 2020-21 is as per the recent estimates.

1.11 The summary of MYT approved ARR and revised estimates of ARR based on above is shown in the table below.

Table 2: Revised ARR for TPL-G (APP) for FY 2019-20 and FY 2020-21

All figures in Rs. Crore	FY 2019-20		FY 2020-21	
	MYT Order	Revised Estimates	MYT Order	Revised Estimates
Variable Cost	788.48	843.73	803.81	849.35
O&M Expenses	179.66	179.66	189.94	189.94
Water Charges	12.96	12.96	13.70	13.70
Depreciation	46.44	46.44	48.83	48.83
Interest on loan	0.86	0.86	-	-
Interest on Working Capital	14.45	14.45	14.84	14.84
Return on Equity	60.03	60.03	62.11	62.11
Income Tax	15.34	15.34	15.34	15.34
Less: Non-Tariff Income	17.43	17.43	17.43	17.43
Total	1,100.78	1,156.03	1,131.14	1,176.67

Prayers

1.12 TPL has filed the present petition for Truing up of FY 2017-18, Mid-term Review of FY 2019-20 and FY 2020-21, and determination of tariff for FY 2019-20 for its generation facilities at Ahmedabad.

1.13 In view of facts and circumstances, TPL has prayed to the Hon'ble Commission to:

- a) Admit the petition for truing up of FY 2017-18, Mid-term Review of FY 2019-20 and FY 2020-21, and determination of tariff for FY 2019-20.
- b) Approve the trued up ARR of FY 2017-18.
- c) Approve the sharing of gains/ losses as proposed by TPL for FY 2017-18.
- d) Approve the revised ARR for FY 2019-20 and FY 2020-21 based on Mid-term review.
- e) Allow recovery of the costs as per the Judgments of the Hon'ble Tribunal in the Appeals filed by TPL.
- f) Allow additions/ alterations/ changes/ modifications to the petition at a future date.
- g) Permit TPL to file all necessary pleadings and documents in the proceeding and documents from time to time for effective consideration of the proceeding.

- h) Allow any other relief, order or direction which the Hon'ble Commission deems fit to be issued.
- i) Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.