

Summary

Petition filed by TPL before the Hon'ble GERC vide Case No.1843/2019

Torrent power Limited-Ahmedabad Generation

Background

- 1.1 As per the provisions of the GERC MYT Regulations, 2016, TPL has filed this petition before the Hon'ble Commission for approval of:
1. Truing up of ARR for FY 2018-19 and sharing of gains/losses on account of controllable/un-controllable factors, and
 2. Determination of tariff for FY 2020-21

True Up for FY 2018-19

- 1.2 The Hon'ble Commission had approved the ARR for FY 2018-19 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 2018-19. The ARR approval is subject to truing up based on the actual data for FY 2018-19.
- 1.3 TPL, for the purpose of true-up exercise in accordance with the GERC 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, SHR, 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) generated electricity at an average PLF of 87.84%. The plant load factor above 85% PLF is to be considered for computation of incentive & in the ARR of TPL-G (APP).

- 1.6 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.
- 1.7 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. 118.34 Crore has resulted due to uncontrollable factors and a gain of Rs. 52.34 Crore has resulted due to controllable factors. Accordingly, the net amount of Rs. 100.89 Crore is proposed to be passed through as tariff in accordance with the GERC 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, incentives for load factor above 85% PLF and sharing of gains/losses in accordance with the GERC 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.
- 1.8 The truing up for TPL-G (APP) is shown in the table below.

Table 1: Trued-up ARR of TPL-G (APP) for FY 2018-19

All figures in Rs. Crore		
ARR as per MYT	(a)	1,088.78
Gains/(Losses) due to Uncontrollable Factors	(b)	(118.34)
Gains/(Losses) due to Controllable Factors	(c)	52.34
Pass through as tariff	(d)=- (1/3 rd of c+b)	100.89
ARR for True- up	(e)=a+d	1,189.67

- 1.9 TPL has requested the Hon'ble Commission to approve the ARR as per the computation provided hereinabove.
- 1.10 Further, the Hon'ble Appellate Tribunal for Electricity (APTEL) passed its judgment in Appeal no. 257 of 2016. Pursuant thereto and in compliance therewith, the Hon'ble Commission has issued the consequential order dated 19th August, 2019 for implementation of the said judgment. Accordingly, TPL has requested the Hon'ble Commission to allow recovery of interest on loan of Rs. 23.09 Crore for FY 2014-15 to FY 2017-18 from TPL-D (A) and TPL-D (S) in addition to above trued up ARR of FY 2018-19, which has arisen due to the Hon'ble Commission passing consequential orders upon the subject dispensation by the Hon'ble APTEL.

1.11 TPL has also requested the Hon'ble Commission to allow balance recovery of Rs. 5.86 Crore, from TPL-D (A) and TPL-D (S), for FY 2017-18, on account of change in law, on consideration of and assessing the reasons and extent of the change in employee cost as more elaborately stated hereinafter, in this Petition.

ARR for FY 2020-21

1.12 The Hon'ble Commission has approved the revised ARR for FY 2020-21 vide its Order dated 24th April, 2019 in Case No. 1763 of 2018. Accordingly, TPL has considered the ARR of FY 2020-21 as shown in the following table.

Table 2: ARR for TPL-G (APP) for FY 2020-21

All figures in Rs. Crore	MTR Order
Variable Cost	817.70
O&M Expenses	189.94
Water Charges	13.70
Depreciation	51.03
Interest on loan	-
Interest on Working Capital	13.27
Return on Equity	63.73
Income Tax	15.34
Less: Non-Tariff Income	17.43
Total	1,147.27

Prayers

1.13 TPL has filed the present petition for Truing up of FY 2018-19 and determination of tariff for FY 2020-21 for its generation facilities at Ahmedabad.

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

- a) Admit the petition for truing up of FY 2018-19 and determination of tariff for FY 2020-21.
- b) Approve the trued up ARR of FY 2018-19.
- c) Approve the sharing of gains/ losses as proposed by the TPL for FY 2018-19.
- d) Allow recovery of the costs as per the Judgments of the Hon'ble Tribunal in the Appeals filed by the TPL.
- e) Allow recovery on account of change in law, as set out in the present Petition.
- 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.