

Summary

Petition filed by TPL before Hon'ble GERC vide Case No. 1925/2021

Torrent Power Limited-Ahmedabad Power Plant (TPL-G(APP))

Background

- 1.1 As per the provisions of the MYT Regulations, 2016, TPL-G(APP) has filed petition before the Hon'ble Commission for approval of:
- a) Truing up of ARR for FY 2019-20 and sharing of gains/losses on account of controllable/un-controllable factors,
 - b) Determination of ARR for FY 2021-22, and
 - c) Determination of tariff for FY 2021-22

True Up for FY 2019-20

- 1.2 The Hon'ble Commission had approved the ARR for FY 2019-20 for TPL's Ahmedabad Generating facility as per the MTR Order dated 24th April, 2019 vide Case No. 1763/2018. This was based on the revised projections for FY 2019-20. The ARR approval is subject to truing up based on the actual data for FY 2019-20.
- 1.3 TPL-G(APP), for the purpose of true-up exercise in accordance with the MYT Regulations, 2016, has submitted this petition on the basis of the Hon'ble Commission's MTR Order dated 24th April, 2019 in Case No. 1763/2018.
- 1.4 TPL-G(APP) 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 During FY 2019-20, TPL-G (APP) generated electricity at an average PLF of 72.90%. TPL-G (APP) has submitted to the Hon'ble Commission that it 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-G(APP) has computed the gains/losses and consequently the sharing of gains/losses. TPL-G(APP) has submitted that a gain of Rs. 97.18 Crore has resulted due to uncontrollable factors and a gain of Rs. 50.13 Crore has resulted due to controllable factors. Accordingly, the net amount of Rs. (113.89) Crore is proposed to be passed through as tariff in accordance with the MYT Regulations, 2016. TPL-G(APP) requests 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-G(APP) 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 2019-20

All figures in Rs. Crore		
ARR as per MTR	(a)	1,126.85
Gains/(Losses) due to Uncontrollable Factors	(b)	97.18
Gains/(Losses) due to Controllable Factors	(c)	50.13
Pass through as tariff	(d)=-1/3 rd of c+b	(113.89)
ARR for True- up	(e)=a+d	1,012.97

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

ARR for FY 2021-22

1.9 The Hon'ble Commission vide its order dated 22nd December, 2020 has directed the utilities to file the petition for ARR of FY 2021-22 and determination of tariff for FY 2021-22 based on the principles and methodology as provided in the MYT Regulations, 2016. Accordingly, TPL-G(APP) has submitted this petition for approval of the Aggregate Revenue Requirement of TPL-G (APP) for FY 2021-22. The ARR is formulated as per the provisions of the MYT Regulations, 2016.

1.10 The ARR estimation is based on the assumptions as outlined below:

- a) The operational parameters, such as, SHR, auxiliary consumption, SFC, transit loss, and O&M expenses is taken as per the MYT Regulations, 2016.
- b) The price of fuel & calorific value is taken as per the estimates for FY 2021-22.
- c) The PLF is dependent on the estimated energy drawl requirement from the TPL-G (APP) stations by TPL-D.
- d) Capital expenditure of Rs. 21.31 Crore has been planned in FY 2021-22 for routine capital expenditure schemes at Sabarmati including safety & security, etc.
- e) Depreciation, Interest on loans, Interest on Working Capital, ROE, etc. have been computed as per the applicable Regulations.

1.11 The ARR thus computed for FY 2021-22 is shown in the table below.

Table 2: ARR for TPL-G (APP) for FY 2021-22

All Figures in Rs. Crores	FY 2021-22
Variable Cost	840.85
O&M expenses	200.80
Water Charges	23.91
Interest on loans	-
Interest on working capital	14.00
Depreciation	50.07
RoE	60.97
Income Tax	23.39
Incentives	-
Less: Non-tariff income	14.31
ARR	1,199.68

Prayers

1.12 TPL-G(APP) has filed the present petition for Truing up of FY 2019-20, determination of Aggregate Revenue Requirement (ARR) for FY 2021-22, and determination of tariff for FY 2021-22 for its generation facilities at Ahmedabad.

1.13 In view of facts and circumstances, TPL-G(APP) has prayed to the Hon'ble Commission that it may be pleased to:

- a) Admit the petition for truing up of FY 2019-20, Aggregate Revenue Requirement for FY 2021-22, and determination of tariff for FY 2021-22.
- b) Approve the trued up ARR of FY 2019-20 including impact of change in law as set out in the petition.
- c) Approve the sharing of gains/ losses as proposed by TPL-G(APP) for FY 2019-20.
- d) Approve the Aggregate Revenue Requirement for FY 2021-22.
- e) Allow recovery of the costs as per the Judgments/ orders of the Hon'ble Tribunal/ Hon'ble Commission in the Appeals/ Review Petitions filed by TPL-G(APP).
- f) Allow additions/ alterations/ changes/ modifications to the petition at a future date.
- g) Permit TPL-G(APP) 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.