

Summary

Petition filed by TPL before Hon'ble GERC vide Case No. 2322/2024

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 the petition before the Hon'ble Commission for approval of:
 - a. Truing up of ARR for FY 2022-23 and sharing of gains/losses on account of controllable/un-controllable factors,
 - b. Determination of ARR for FY 2024-25, and
 - c. Determination of tariff for FY 2024-25

True Up for FY 2022-23

- 1.2. The Hon'ble Commission had approved the ARR for FY 2022-23 for TPL's Ahmedabad Generating facility as per the Order dated 31st March, 2022 in Case No. 2032/2021. This was based on the projections for FY 2022-23. The ARR approval is subject to truing up based on the actual data for FY 2022-23.
- 1.3. TPL-G(APP), for the purpose of true-up exercise in accordance with the MYT Regulations, 2016, has submitted the petition on the basis of the Hon'ble Commission's Order dated 31st March, 2022 in Case No. 2032/2021.
- 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. 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. The same is proposed to be passed through as tariff in accordance with the MYT Regulations, 2016. TPL-G(APP) 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-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 2022-23

All figures in Rs. Crore		
ARR as per Order	(a)	1,191.54
Gains/(Losses) due to Uncontrollable Factors	(b)	(162.03)
Gains/(Losses) due to Controllable Factors	(c)	44.53
Pass through as tariff	(d)=- $(1/3^{\text{rd}}$ of c+b)	147.19
ARR for True- up	(e)=a+d	1,338.73

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

ARR for FY 2024-25

- 1.9. The Hon'ble Commission vide its suo motu order dated 5th December, 2023 has directed the utilities to file the petition for ARR of FY 2024-25 and determination of tariff for FY 2024-25 based on the principles and methodology as provided in the MYT Regulations, 2016. Accordingly, TPL-G(APP) has submitted the petition for approval of the Aggregate Revenue Requirement of TPL-G (APP) for FY 2024-25. 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:
- The operational parameters, such as, SHR, auxiliary consumption, SFC, transit loss, and O&M expenses is taken as per the MYT Regulations, 2016.
 - The price of fuel & calorific value is taken as per the estimates for FY 2024-25.
 - The PLF is dependent on the estimated energy drawl requirement from the TPL-G (APP) stations by TPL-D.
 - Capital expenditure has been planned in FY 2024-25 for routine capital expenditure schemes at Sabarmati including critical plant equipments, safety & security, etc.
 - 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 2024-25 is shown in the table below.

Table 2: ARR for TPL-G (APP) for FY 2024-25

All Figures in Rs. Crores	FY 2024-25
Variable Cost	1,019.66
O&M expenses	163.67
Water Charges	26.11
Interest on loans	1.44
Interest on working capital	17.21
Depreciation	52.37
RoE	64.92
Income Tax	19.92
Incentives	-
Less: Non-tariff income	18.09
ARR	1,347.20