

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 48 of 2017
Date of Order: 20.03.2018**

Present: Ms. Kusumjit Sidhu, Chairperson
Sh. S.S. Sarna, Member
Ms. Anjali Chandra, Member

In the matter of: Petition for determination of Additional Surcharge under Section 42 (4) of the Electricity Act, 2003, read with Regulation 27 of the Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-state Open Access) Regulations, 2011, to be made applicable on the open access consumers availing power from the sources other than Punjab State Power Corporation Limited for the period 01.10.2017 to 31.03.2018.

AND

In the matter of: Punjab State Power Corporation Limited,
Patiala.

.....Petitioner

ORDER

1. The present Petition was filed by the Punjab State Power Corporation Limited (PSPCL) for determination of Additional Surcharge, to be made applicable on the open access consumers availing power from the sources other than PSPCL for the period from 01.10.2017 to 31.03.2018.

2. PSPCL had submitted the data/calculations for working out Additional Surcharge based on the Single Part Tariff structure, whereas Two Part Tariff structure was to be made applicable w.e.f.

01.01.2018, as per Commission's Order dated 09.11.2017. Accordingly, the Commission vide its letter 1542 dated 05.12.2017 directed PSPCL to submit the revised calculations for Additional Surcharge for the period 01.01.2018 to 31.03.2018 after factoring-in the impact of Fixed Charges in Two Part Tariff structure approved by the Commission.

3. The Commission vide its Order dated 13.12.2017, determined the Additional Surcharge @ ₹1.08 per kWh payable by the Open Access Consumers for the period from 01.10.2017 to 31.12.2017 with the observation as under:

“The Additional Surcharge for the period from 01.01.2018 to 31.03.2018 i.e. for the period when Two Part Tariff is applicable, shall be determined separately after following the due procedure, upon submission of the revised calculations by PSPCL, factoring-in the impact of Fixed Charges payable under Two Part Tariff structure (approved by the Commission in its Order dated 09.11.2017) on the cost of stranded power.”

4. Further, the Commission vide its Order dated 29.12.2017, decided as under:

“Since PSPCL is yet to submit the above said data as directed by the Commission, the determination of Additional Surcharge for the period from 01.01.2018 to 31.03.2018 is likely to take some more time. As such, the Additional Surcharge as determined by the Commission vide Order dated 13.12.2017 @ ₹1.08 per kWh payable by the Open Access Consumers for the period from 01.10.2017 to 31.12.2017 will continue to be levied on the open access power brought by the Open Access Consumers, till the determination of Additional Surcharge for the period from 01.01.2018 to 31.03.2018, and the difference, if any, in the Additional Surcharge ordered to be levied by the

Commission (i.e. ₹1.08 per kWh) and the Additional Surcharge for the period from 01.01.2018 to 31.03.2018 to be determined by the Commission shall be payable/refundable by/to Open Access Consumers.”

5. PSPCL vide its letter no. 6338 dated 05.02.2018 submitted the requisite data/calculations of Additional Surcharge under Two Part Tariff structure for the period 01.01.2018 to 31.03.2018.

6. A public notice was published by PSPCL on 11.02.2018 in the leading newspapers namely, 'The Tribune', 'Punjab Kesari' and 'Ajit', for inviting objections from general public/ stakeholders. The last date for submission of objections/comments was fixed as 15 days from the publication of the notice i.e. 26.02.2017. No objection/comment has been received from the general public/stakeholders against the said public notice.

Findings and Decision

7. The Commission has carefully gone through the data submitted by PSPCL. The Commission observed as under:

- i) PSPCL has reworked the Additional Surcharge under Single Part Tariff structure as ₹1.12/kWh for the period 01.01.2018 to 31.03.2018, based on the data already submitted in the petition as against the Additional Surcharge at the rate of ₹1.08/kWh worked out by the Commission vide order dated 13.12.2017. Further, after factoring-in the impact of Fixed Charges in Two Part Tariff structure approved by the Commission, PSPCL has calculated Additional Surcharge under Two Part Tariff as ₹0.93/kWh.

- ii) While converting the power drawn by consumers from kVAh to kWh, PSPCL has taken the power factor of the consumer as 0.90, in place of applicable power factor of 0.95 for general industry and 0.98 for Arc Furnaces/PIU.
- iii) Also, PSPCL has not taken into account the reduction in stranded cost due to closure of PSPCL's Plants, which works out to be ₹0.08/kWh.

The Commission determines the Additional Surcharge ₹0.83 per kWh (Detailed in Annexure-A), to be paid by the Short Term Open Access consumers situated within the area of supply of the licensee, on the Open Access power brought by them from the sources other than PSPCL, for the period from 01.01.2018 to 31.03.2018, subject to the condition that the contracted capacity of PSPCL continue to remain stranded during the period.

Further, PSPCL is directed to refund the excess amount of Additional Surcharge charged during the period in terms of Commission's Order dated 29.12.2017 in this petition, to the concerned open access consumers.

The petition is disposed of accordingly.

**Sd/-
(Anjuli Chandra)
Member**

**Sd/-
(S.S. Sarna)
Member**

**Sd/-
(Kusumjit Sidhu)
Chairperson**

Chandigarh

Dated: 20.03.2018

Annexure-A

Calculation of Additional Surcharge applicable for the period January 2018 to March 2018 based on Two Part Tariff		
1.	Demand/Fixed charges that would have been payable by LS consumers eligible for availing open access on the basis of Fixed Charges specified by the Commission in its Tariff Order dated 23.10.2017, during the period.	₹66.62 crore
2.	Power drawn by the consumers mentioned at Sr. No. 1 above (in kWh) from the licensee as retail consumers, during the period.	1909.97 MU (262.58*0.95+778.81*0.95+939.44*0.98)
3.	Demand/Fixed Cost that would have been payable during the period by the consumers mentioned at Sr. No. 1 above. [1/2]	₹0.35 /kWh
4.	Proportion of the fixed cost that would have been recovered toward the cost of stranded power, during the period.	i) Fixed cost as per order dated 13.12.2017 in Pet. 48 of 2017 for 6 months = ₹4198.59 crore ii) Fixed cost for 3 months = ₹2099.29 crore (4198.59/2) iii) Fixed Cost of the GNDTP and Unit I & II of GGSSTP (being closed during the period)= ₹163.99 crore (112.86 + 51.13) iv) Net Fixed Cost for the period = ₹1953.30 crore (2099.29 – 163.99) v) Total Fixed cost for 3 months = ₹4123.06 crore (as per Table No. 9.5 of TO for FY 2016-17) vi) Total Fixed cost excluding cost of closed generating units during the period = ₹3959.07 crore (4123.06-163.99) vii) Proportion of Fixed Charges towards the stranded cost = 49.34% (1953.30/3959.07)
5.	Adjustment in Additional Surcharge on account of Fixed charges being paid to the distribution licensee as their regular consumers, during the period. [3*4]	₹0.17 /kWh (0.35x49.34%)
6.	Additional Surcharge payable by Open Access consumers under Two Part tariff for the period.	i) Additional Surcharge payable by OA consumers under single part tariff structure for the period (01.10.2017 to 31.12.2017) as per order dated 13.12.2017 = ₹1.08/kWh ii) Reduction in stranded cost due to closure of PSPCL's Plants = ₹0.08/kWh (1.08*163.99/2099.30) iii) Adjustment in Additional Surcharge on account of Fixed Charges being paid by OA consumers as regular consumers = ₹0.17/kWh iv) Additional Surcharge payable by OA consumers = ₹0.83/kWh (1.08-0.08-0.17)