

Petition for the Determination of Additional Surcharge U/S 42 (4) of the Indian Electricity Act-2003 read with Regulation 27 of Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulation -2011 to be made applicable on to the open access consumers availing power from the sources other than PSPCL for the period 1.10.2017 to 31.3.2018.

Petition No: 48 of 2017

And in the matter of

Punjab State Power Corporation Ltd.....Petitioner

Most respectfully it is showeth :

1. That this petition is being filed by the petitioner i.e. Punjab State Power Corporation Limited (PSPCL) for the determination of applicable Additional Surcharge to be levied onto the Open Access Consumers availing Power through open access from the sources other than PSPCL. The additional surcharge so determined by the Hon'ble Commission shall remain applicable for the period 1.10.2017 to 31.3.2018.

2. For the computation of the applicable Additional Surcharge for the period 1.10.2017 to 31.3.2018, the following data for the corresponding period of the previous year i.e. 1.10.2016 to 31.3.2017 is being enclosed for consideration of the Hon'ble commission.

- i. Month-wise Available Installed Capacity of Punjab from all the sources (Own Thermal & Hydro Generating Stations + Central Sector Allocations + Share from BBMB power stations) is being annexed as **Annex-'A'**.
- ii. Summary of Open Access Power availed by Open Access (OA) Consumers of PSPCL along with Hourly-based (Month-wise) detail thereof is being annexed as **Annex-'B'**.
- iii. Summary and Detail of Hourly-based (Month-wise) data for Total Availability/ Total Scheduled Power/ Total Surrendered Power from a) Own Thermal b) Own Hydro c) Central Sector (ISGS+BBMB) d) IPPs is being annexed as **Annex-'C'**.
- iv. Summary and Detail of Hourly-based (Month-wise) data for Declared Capacity/Scheduled Power/Surrendered Power from IPPs is being annexed as **Annex-'D'**.
- v. Summary and Detail of Hourly-based (Month-wise) data for Entitlement/Scheduled Power/Surrendered Power from ISGSs along with BBMB is being annexed as **Annex-'E'**.

- vi. Summary and Detail of Hourly-based (Month-wise) data for Availability/Scheduled/Surrendered Power from Own Hydro Plants is being annexed as **Annex-'F'**.
- vii. Summary and Detail of Hourly-based (Month-wise) data for Availability/Scheduled/Surrendered Power from Own Thermal Plants is being annexed as **Annex-'G'**.
- viii. Detail of Annual Fixed Cost (AFC) of Generating Stations from which PSPCL received power during Oct-16 to Mar-17 is being annexed as **Annex-'H'**.
- ix. Draft Computation of Additional Surcharge for the period 1.10.17 to 31.3.18 to be levied onto the Open Access Consumers is annexed as **Annex-'I'**.
- x. Draft Public Notice with regards to applicable additional surcharge w.e.f 1.10.17 to 31.3.18 is annexed as **Annex-'J'**.

3. From the detail of the data (Annex.-A to I), attached herewith, it is evident that PSPCL is having adequate generating capacities available to meet with the entire demand of power of the consumers of PSPCL including the Open Access consumers during the relevant period. Further on account of sourcing of power by Open Access consumers from alternate sources (other than PSPCL) the available generation capacities remained stranded during the period Oct.-2016 to March-2017. A similar situation is likely to persist during the upcoming lean demand period from Oct.-2017 to March -2018 and in the event of sourcing of power from alternate sources other than PSPCL, the available generating capacities are likely to remain stranded during this period.

4. That the provision as regards applicability of additional surcharge to be paid by open access consumers has been made under Section 8.5 of the National Tariff Policy as under:-
8.5:- ".....The additional surcharge for obligation to supply as per Section 42 (4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be covered through wheeling charges.....'

It becomes clear from the aforesaid that additional surcharge is payable on the stranded capacity arising out of supply obligations of the distribution licensee under existing power purchase commitments.

5. Also that the provisions as regards additional surcharge is made in Clause 27 of PSERC Open Access Regulations-2011, which reads as under:-

"27. Additional Surcharge

a) *An open access consumers, receiving supply from a person other than the distribution licensee of his area of supply, shall pay to the distribution licensee an additional surcharge on the charges of wheeling, in addition to wheeling charges and cross-subsidy surcharge, to meet out the fixed cost of such distribution licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act.*

b) *The additional surcharge shall become applicable only if the obligation of the licensee in terms of power purchase commitments has been made any continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The distribution licensee shall indicate the quantum of such stranded costs and the period over which they would be stranded. The Commission shall scrutinize the statement of calculation of fixed cost submitted by the distribution licensee and obtain objections, if any, and the amount of additional surcharge.*

Provided that such additional surcharge shall not be levied in case distribution access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

c) *The additional surcharge shall be determined by the Commission.*

d) *The consumers availing Open Access exclusively on interstate transmission system shall also pay the additional surcharge as determined under these Regulations.*

e) *The consumers availing Open Access through dedicated lines even without involving licensee's transmission and/or distribution system shall be liable to pay same additional surcharge as determined under these Regulation."*

In this manner, this Hon'ble Commission has notified the above referred Open Access Regulations in accordance with the provisions of the Indian Electricity Act-2003 and the National Tariff Policy framed there under so as to compensate the distribution licensee for its stranded generation capacities arising out of its universal supply obligations. The additional surcharge is payable under the Regulations notwithstanding that only the inter-state transmission system is being used for availing open access and even when the lines of transmission/distribution licensee are not used.

6. That in view of the aforesaid, it is submitted that as the burden of fixed cost is adversely affecting the financial interests of the Petitioner, which in turn is affecting the end

consumers in the State buying power from the Petitioner, as such it is necessary that an additional surcharge as provided under Section 42 (4) of the 2003 Act and the Open Access Regulations of this Hon'ble Commission be determined and made applicable to open access consumers in the State.

Thus Hon'ble Commission is therefore requested to determine the additional surcharge to be recovered from open access consumers based on the data submitted above. The Petitioner undertakes to submit such further and additional data in this behalf as may be directed by this Hon'ble Commission.

PRAYER

It is, therefore, most respectfully prayed that this Hon'ble Commission may be pleased to:

- i) **Admit the above Petition for determination of additional surcharge for the period 1st Oct-2017 to 31st Mar-2018, payable by the Petitioner's consumers purchasing power from within/outside the Petitioner's area of supply/State periphery.**
- ii) **Hold that the obligation of the Petitioner in terms of power purchase commitments has been and continues to be stranded and there is an unavoidable obligation and incidence to bear fixed costs consequent to such commitments.**
- iii) **Approve the draft Public Notice appended as Annex. J and fix a timeline so that process of determination of the application additional surcharge for the control period 1.10.2017 to 31.3.2018 can be completed before the next date of its applicability.**
- iv) **Determine the Additional Surcharge payable by open access consumers for the period 1st Oct-2017 to 31st Mar-2018 on the quantum of power purchase through open access using the network of the Petitioner on the basis of the data submitted along with the petition.**
- v) **Make applicable the additional surcharge for the relevant period on the power purchased by open access consumers from within/outside the Petitioner's area of supply/State periphery under open access.**
- vi) **Pass such further and other order(s) as this Hon'ble Commission may deem just and proper in the facts and circumstances of the present case.**

Date:

Place: Patiala

Sd/-

SE/PR

PSPCL, Patiala