

BEFORE THE HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

AT HYDERABAD.

OP NO OF 2022

In the matter of : Filing of miscellaneous petition to determine procurement price of power in respect of power supply from M/s Spectrum Power Generation Limited, 208 MW Combined Cycle Gas based Power Project during the period FY 2016-17.

Between:

1. Eastern Power Distribution Company of AP Ltd.(APEPDCL)
P&T colony, Seethamma Dhara
VisakhapaTnam - 530013, Andhra Pradesh.
2. Southern Power Distribution Company of AP Ltd.(APSPDCL)
D.No. 19-13-65/A, Tiruchanoor Road
Tirupati - 517503, AndhraPradesh. (PETITIONERS)

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1. M/s Spectrum Power Generation Ltd.
MCH No.63-3-1093, Space No.602, 6th Floor,
VV Vintage Boulevard" Raj Bhavan Road,
Somaajiguda, Hyderabad-500082 (RESPONDENT)

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Place: Vijayawada

Date: 16/11/2022

GENERAL MANAGER (APEPDCL)
APPCC (PP&S) WIDYUT SOUDHA
VIJAYAWADA-520 004

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Petition filed under 86 (1) (f) of Electricity Act 2003 read with Clause 55 of

APERC Conduct of Business Regulations.

The Petitioners respectfully submit as under;

1. Erstwhile APSEB has entered into a Long Term PPA for a period of 18 years on 23.01.1997 with M/s Spectrum Power Generation Limited (SPGL) for procurement of power from its 208 MW Gas based power plant located at Uppada, East Godavari District Andhra Pradesh. Consequent to AP reorganisation Act 2014, the energy generated from the plant has been shared between AP & TS DISCOMs in the prescribed ratio. The PPA got expired on 18.04.2016.
2. Consequent to expiry of PPA, APDISCOMs tried their best for renewal of PPA on same terms & conditions and continued procurement on adhoc basis. As the tariff for FY 2016-17 was not fixed by the Honourable commission, power was purchased for the time period from 19.04.2016 to 31.03 2017 at the same tariff applied for the last year of the PPA(FY 2015-16)
3. Meanwhile, in issuance of the Accountant General (Audit) Enquiry regarding the excess tariff paid to M/s SPGL for the FY 2016-17, an amount of Rs24.29 cr were recovered from M/s SPGL applying the tariff of FY2017-18 fixed by APERC for the power purchased in FY 2016-17.
4. Consequently M/s SPGL filed a petition O.P 76 of 2021 in the Honorable APERC against APDISCOMS towards release of withheld balance fixed cost payable to M/s.SPGL for the Tariff Year 2018-19 and certain amounts deducted from the energy bills of December-2020 and April-2020. by APDISCOMS towards the recovery of excess tariff paid for the FY 2016-17.
5. In this context, the Hon'ble APERC in their order in O.P. No 76 of 2021, dated 24th August 2022, inter alia, stated that *while the APDISCOMs are entitled to file a petition seeking fixation of the Tariff for the year 2016-017 post-facto, however, they are not entitled to recover any part of the Tariff paid in pursuance of their firm commitment on the mere hypothesis of excess Tariff having been paid. Such an action constitutes arbitrariness and unfairness. In these facts and circumstances, without adjudicating on the actual Tariff payable to the petitioner by the respondents for the FY 2016-17 and reserving right of the respondents to file an application for this purpose, we hold that the respondents are not entitled to recover any amount from the petitioner or withhold any amount payable to the petitioner on the purported ground that they have paid excess amount to the petitioner for the FY 2016-17.*
6. In obedience to the direction of this Hon'ble Commission as stated supra, the APEPDCL & APSPDCL file this petition for approving the procurement price for the period between 19th April 2016 to 31st March 2017, being the period of procurement on adhoc basis.
7. The Hon'ble Commission in their Retail Supply Tariff Order for FY 2016-17 vide Annexure -9 denoting approved Station/Source Wise Power Purchase

Cost, approved procurement of power from M/s SGPL for the entire Financial Year. The details are given as following:

Energy (MU)	Fixed Cost		Variable Cost		Total Cost	
	Rs Crs	Rs/Unit	Rs Crs	Rs/Unit	Rs Crs	Rs/Unit
711.67	63.12	0.89	201.40	2.83	264.52	3.72

8. This Commission vide its Tariff order dated 31-3-2016 has accepted the plea of the DISCOMs and approved the Energy Despatch from M/s Spectrum station at a Power Purchase Cost of Rs.3.72 ps. Having received the power, the DISCOMs have paid at Rs.3.72 ps. Later on, for the subsequent years from FY 2017-18 to FY 2019-20, the Commission has determined a tariff of Rs 3.31/Unit for procurement of power from this project.
9. Further, it is to submit that the Fixed cost of Power procurement as on the date of expiry of PPA is Rs 0.89/Unit as per the terms & tariff schedule of the PPA. The procurement was continued as an adhoc arrangement with the same PPA terms including that of tariff. The Hon'ble Commission is requested to consider the same per Unit Fixed cost of Rs 0.89/Unit as was applicable in the year of expiry of PPA.
10. The variable cost of the plant as on the last month of tenure of PPA is Rs 2.83 per Unit.
11. With regard to variable cost, it is to submit that, as it is a fact that the variable cost is contingent on the APM Gas Price fixed by the Ministry of Petroleum & Natural Gas on half yearly basis and the prevailing Dollar-Rupee conversion rate at that point of time. The variation of Gas price converted into Rupee terms and percentage variation during FY 2015-16 and FY 2016-17 is submitted as below:

Financial Year	USD/MMBTU	Dollar_Rupee Conversion - Opening Closing Day of Half Year	Average Gas Price in Rs/MMBTU	Percentage Variation
2015-16_H1	4.66	0.016 to 0.0152	298.72	
2015-16_H2	3.82	0.0152 to 0.0151	252.15	-15.6%
2016-17_H1	3.06	0.0151 to 0.015	203.32	-19.4%
2016-17_H2	2.50	0.015 to 0.0154	164.47	-19.1%

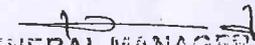
12. As can be observed from the Table above, the average drop in APM Gas price is almost 19% in the Financial Year Under Consideration when

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compared to the immediately preceding Financial Year which is the year of expiry of PPAs.

13. In line with the reasoning submitted with regard to the drop in prices of APM Gas, keeping all other parameters governing variable cost as constant, the variable cost for FY 2016-17 works out to Rs 2.29/Unit ($2.83 \times (1-19\%)$). The total cost of procurement (Fixed + Variable) is Rs 3.18/Unit.

14. Accordingly, APEPDCL & APSPDCL humbly submit to the Hon'ble Commission to determine tariff for procurement of power from M/s SPGL for the past period covering 19th April 2016 to 31st March 2017 (FY 2016-17) as Rs 3.18/Unit, single part, for all the Units procured from M/s SPGL.


GENERAL MANAGER (APSPDCL)
AP PETITIONERS 182 SUDHA
VIJAYAWADA-520 004

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Between:

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P&T colony, Seethamma Dhara Visakhapaynam-530013, Andhra Pradesh
& Others

(PETITIONERS)

And

1. M/s Spectrum Power Generation Ltd.
MCH No.63-3-1093, Space No.602, 6th Floor, VV Vintage Boulevard"
Raj Bhavan Road, Somaajiguda, Hyderabad-500082

(RESPONDENT)

VERIFICATION AFFIDAVIT

I, P.Venkateswara Rao, S/o. Bhushanam Age: 52 years,
Occupation: General Manager/Accounts /APEPDCL do hereby solemnly
affirm and say as follows:

1. I am General Manager/Accounts/APEPDCL, and am competent to affirm, swear, execute and file present petition for tariff Fixation of M/s SPGL for FY 2016-17.
2. The contents of the petition filed by the petitioner company accompanying the affidavit are true and correct to the best of my knowledge and belief and I have read the contents of the said petition.


DEPONENT
 GENERAL MANAGER (ACCOUNTS)
 APPCC (P&T) ANDHRA PRADESH
 VIJAYAWADA-520 004

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VERIFICATION

I, the above named deponent, do hereby verify the contents of this affidavit as true and correct to my knowledge and that no part of it is false and nothing material is concealed therein.

Verified at Vijayawada, on this 14th day of November 2022.

N. S. S. S. S.
ATTESTOR

Dy. Executive Engineer / Legal
O/o. Chief General Manager/Legal
APTRANSCO, Vidyut Soudha
Vijayawada-520 004.

GENERAL MANAGER (APEPDCI)
APTRANSCO, VIDYUT SOUDHA
VIJAYAWADA-520 004
DEPONENT



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पेट्रोलियम योजना एवं विश्लेषण प्रकोष्ठ
पेट्रोलियम व प्राकृतिक गैस मंत्रालय, भारत सरकार
Petroleum Planning & Analysis Cell
Ministry of Petroleum & Natural Gas, Government of India

Ref: No. PPAC/Gas Pricing/ April - September, 2016

Dated: 31.03.2016

To,
Chairman & Managing Director, ONGC
Chairman & Managing Director, OIL
Director General of Hydrocarbons

Sub: Domestic Natural Gas Price April - September, 2016.

In accordance with Para 8 of the "New Domestic Natural Gas Pricing Guidelines, 2014" issued by Ministry of Petroleum and Natural Gas, Govt. of India, the price of domestic natural gas for the period 1st April, 2016 to 30th September, 2016 is given hereunder:

"US \$ 3.06 /MMBTU on Gross Calorific Value (GCV) basis"

Atreyee Das
(Atreyee Das)
Director General

CC to:

- i) Secretary, MoPNG
- ii) Additional Secretary, MoPNG
- iii) Additional Secretary (Exploration), MoPNG
- iv) Senior Advisor, MoPNG



पेट्रोलियम योजना एवं विश्लेषण प्रकोष्ठ
पेट्रोलियम और प्राकृतिक गैस मंत्रालय, भारत सरकार
Petroleum Planning & Analysis Cell
Ministry of Petroleum & Natural Gas, Government of India

Ref. No. PPAC/Gas Pricing/ October, 2016 - March, 2017

Dated: 30.09.2016

To.
Chairman & Managing Director, ONGC
Chairman & Managing Director, OIL
Director General of Hydrocarbons

Sub: Domestic Natural Gas Price October, 2016 - March, 2017.

In accordance with Para 8 of the "New Domestic Natural Gas Pricing Guidelines, 2014" issued by Ministry of Petroleum and Natural Gas, Govt. of India, the price of domestic natural gas for the period 1st October, 2016 to 31st March, 2017 is **US \$ 2.50 /MMBTU** on Gross Calorific Value (GCV) basis.

Atreyee Das
(Atreyee Das)
Director General

- CC to:
- Secretary, MoPNG
 - Additional Secretary, MoPNG
 - Senior Advisor, MoPNG
 - Joint Secretary (Exploration), MoPNG