



**TELANGANA STATE ELECTRICITY REGULATORY  
COMMISSION**

11-4-660, 5<sup>th</sup> floor, Singreni Bhavan, Red Hills Hyderabad – 500 004  
Telephone 23311125/26/27/28 Fax  
No.23397489 website: www.tserc.gov.in

**Suo-Motu Order dated  
10.04.2018.**

**Present:** Sri Ismail Ali Khan,  
Chairman

In the matter of:

**Notification of the actual fuel price escalation and variable cost for the period from 01.04.2018 to 31.03.2019 in respect of the existing plants based on Non Conventional energy (NCE) sources in the state of Telangana.**

The erstwhile APERC passed orders in O. P. No. 32 of 2014 determining the variable cost norms in respect of the existing plants run on Bio-mass, Bagasse and Industrial waste based NCE sources for the period of 2014-15 to 2018-19. Clause 2.5 of the said order stipulates that determination of actual fuel price escalation is to be notified by the Commission before the start of each financial year starting from FY 2015-16 as per the fuel price escalation methodology (CERC methodology) given under Annexure-A to the said order.

2. This Commission had issued Regulation No.1 of 2014 adopting all the regulations, decisions, directions and orders as in existence and in force as on the date of constitution of this Commission.

3. In determining the actual fuel price escalation and consequent variable cost for the FY 2018-19 based on the said Fuel Price Indexation mechanism, a public notice has been issued on the Commission's website inviting the comments, suggestions and objections from the stakeholders giving time of ten days upto 03.04.2018.

4. In response to above public notice only TSSPDCL responded saying TSSPDCL has "NO COMMENTS".

5. In view of the above and The erstwhile APERC in its orders in O. P. No. 32 of 2014 had proposed fuel price indexation mechanism in terms of the CERC RE Regulations, 2012 and it was held that for the purpose of tariff computation, the Commission shall publish escalation rates every year based on the indexation methodology for the period FY2015-16 to FY 2018-19, for which tariff needs to be determined.

6. Therefore, the Commission hereby notifies the following actual fuel price escalation and consequent variable cost for the period from 01.04.2018 to 31.03.2019 in the State of Telangana.

| Sl. No. | Nature of Project                     | Fuel Price for FY 2017-18 Rs. / Tonne | Fuel Price Escalation for FY 2018-19 | Fuel Price for FY 2018-19 Rs. / Tonne | Variable Cost for FY 2018-19 Rs./Unit |
|---------|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| 1       | Biomass Based Power Project           | 2,931                                 | 9.08%                                | 3,197                                 | 4.7955                                |
| 2       | Industrial Waste Based Power Projects | 2,931                                 | 9.08%                                | 3,197                                 | 4.7955                                |
| 3       | Bagasse based Power Projects          | 1,598                                 | 9.08%                                | 1,743                                 | 3.0646                                |

7. The Commission directs the TSDISCOMs to pay the above variable cost for the power purchased from the Bio-mass, Industrial Waste and Bagasse based NCE power projects in the state of Telangana for the period from 01.04.2018 to 31.03.2019.

**This order is corrected and signed on this the 10<sup>th</sup> day of April, 2018.**

**Sd/-  
ISMAIL ALI KHAN  
Chairman**

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