



**SOUTH INDIAN CEMENT MANUFACTURERS' ASOCIATION**

**Statement of Objections**

**on**

**Petitions for Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff for Retail Sale of Electricity for the Financial Year 2022-23**

**Filed by the**

**Southern Power Distribution Company of Telangana Limited (TSSPDCL)**

**&**

**Northern Power Distribution Company of Telangana Limited (TSNPDCL)**

**as the**

**Distribution and Retail Supply Licensee**

**January, 2022**

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## THE STATEMENT OF OBJECTIONS BY THE OBJECTOR

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### 1 STATEMENT OF OBJECTIONS

The Distribution Licensees namely Southern Power Distribution Company of Telangana Limited and Northern Power Distribution Company of Telangana Limited (hereinafter referred to as the '**Discoms**' or '**TS Discoms**' or '**Petitioners**' or '**distribution companies**' or '**Licensees**') have filed the Petitions for the determination of the Aggregate Revenue Requirement (ARR) for the Retail Supply Business for the year FY 2022-23 in accordance with the erstwhile Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No.4 of 2005 and its First Amendment notified in 2014 namely Regulation No. 1 of 2014 (hereinafter collectively referred to as 'Tariff Regulations').

This Statement of Objections is being filed on behalf of the "SOUTH INDIAN CEMENT MANUFACTURERS' ASSOCIATION" (SICMA), an association of major cement manufacturers across South India, registered under the provisions of the Telangana Societies Registration Act 2001, with its administrative office at 3<sup>rd</sup> Floor, 36<sup>th</sup> Square, Plot No. 481, Road No, 36, Jubilee Hills, Hyderabad – 500034 (hereinafter called the "**Objector**"). The main function of SICMA is to represent, promote & protect the interests of its members.

The members of the association are availing power from the licensees predominantly at 132/220 KV voltage and some of them at 33 KV voltage.

The Objector also prays that it may be permitted to make additional submissions specific to these Petitions, in the Public Hearings as per the Public Hearing schedule announced by this Hon'ble Commission.

The brief facts, propositions, analysis, grounds and point wise objections to the Petitions are narrated herein below:

## 2 DELAY IN FILING THE RST PROPOSAL FOR FY 2022-23

i. As per regulation 4 of 2005 (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity), the distribution licensees were to file their ARR and tariff proposals for FY 2022-23 on or before 30.11.2021, so as to make available to the Commission, the statutory time of 120 days for determination of Tariff for FY 2022-23 commencing 01.04. 2022.

ii. The relevant extract is as follows:

### **"6 FILING PROCEDURE**

*6.I Every Distribution Licensee shall file for each of its licensed business an application for approval of its Aggregate Revenue Requirement (ARR) for each year of the Control Period, not less than 120 days before the commencement of the first year of the Control Period. This filing shall be in such form and in such manner as specified and in accordance with the Guidelines issued by the Commission. The Distribution Licensees may file such applications for ARR of the first Control Period within a period not less than 90 days before the commencement of the Control Period."*

iii. However, both Licensees had prayed to the Hon'ble Commission to allow the licensees to file Tariff Proposals at a later date.

iv. The Hon'ble Commission vide its letter Lr. No. L-1/8 – B/Secy/JDLAW-01/D.No. 572/2021 dated 02.12.2021, has directed both licensees to file the proposed tariffs within a period of seven days from the date of receipt of the letter.

v. Further, the Hon'ble Commission, through its Notice O.P. (SR) No. 79 of 2021 dated 14.12.2021, called for hearing of admission of the Aggregate Revenue Requirement for Retail Supply Business for FY 2022-23. And during the course of the hearing, the Hon'ble Commission orally directed both Licensees to file its Retail Supply Tariff proposal for FY 2022-23 on or before 27.12.2021.

vi. Subsequently, the Retail Supply Tariff proposals for FY 2022-23 have been filed on 27.12.2021 by both Licensees.

vii. The reason submitted by the Licensees for the delay is the enforcement of *Model Code of Conduct in view of the Biennial elections of Telangana Legislative Council Seats*.

viii. The Objector would like to bring to the notice of the Hon'ble Commission that the Licensees have displayed a consistent delay in filing Retail supply Petitions from the period 2018-19 to 2020-21, subsequently seeking of extension of the previous tariff order for the ensuing year by the Hon'ble

Commission. The Interlocutory Applications filed by the TS Discoms and Hon'ble Commission's Orders regarding the application for extension of tariff has been summarised below in the table:

### Interlocutory Applications Filed by TS DISCOMS for Extension:

FY	O. P. Nos.	I.A.s filed by TS Discoms	Commission Approval Order
2019-20	21 & 22 of 2017	I.A. No. 8 of 2020	Dated 20.03.2020
2020-21	21 & 22 of 2017	I.A. No. 8 of 2020	Dated 20.03.2021
2021-22	21 & 22 of 2017	I.A. No. 4 of 2021	Dated 27.03.2021

- ix. The relevant orders have been attached herewith as **Annexure-A**.
- x. The Objector prays that the Hon'ble Commission may reprimand and penalise the Petitioners for failing at filing its Tariff Petitions on time for the past 4 years.

### 3 LACK OF TRUE-UP FILINGS

- xi. As per the applicable Regulation 1 of 2014 dt. 07.03. 2014, the true up variation over the past years should be adjusted in the final ARR of the ensuing year in order to reduce the burden on consumer.
- xii. The Relevant Extract has been reproduced below:

#### 12.5 True-up for Retail Supply Business

- a. The Distribution Licensee shall include the power purchase cost variation over the previous year Power Purchase cost in the Tariff Order as expense (in the event of incurring excess cost)/rebate (in case of cost saving) in the ARR as special item with relevant details. To arrive the power purchase cost variation, the least of the following power purchase quantity is to be considered:
  - i) Actual power purchase quantity procured by the Discoms for its consumers.
  - ii) Power purchase quantity computed based on actual sales except LT Agriculture sales. LT Agricultural sales will be limited to Tariff Order quantity. These aggregated sales will be grossed up with approved losses for the relevant year in the MYT orders.
- b. Since the complete information of cost actually incurred relating to previous year will not be available at the time of filing of ARR for a particular tariff year, the Licensee may include provisional cost variation for the previous year in ARR filings which will be subject to final correction by the Commission as and when final accounts for that year become available.
- c. The Licensees shall also include in the ARR the amounts to be collected on final basis being the difference between the cost incurred based on audited annual accounts report and costs provisionally approved by the Commission in the Tariff Order for the year immediately preceding the previous year.

...

- f. The approved amounts which are to be collected or have already been collected by Licensee from the consumers for the reference year in pursuance of any regulation/ order covering u/s 62(4) of the Electricity Act, 2003 or in pursuance of clause 12(4) of this regulation shall be suitably adjusted.
- g. The Commission, after examination of the details, will approve the expense/ rebate duly dealing the same in detail in the relevant Tariff Order. No expense shall be added to or rebate shall be deducted from ARR unless the details of such amounts are provided in the tariff order.
- h. A format in which information on power purchase quantity and its cost to be filed by licensee for true-up is enclosed to this Regulation.

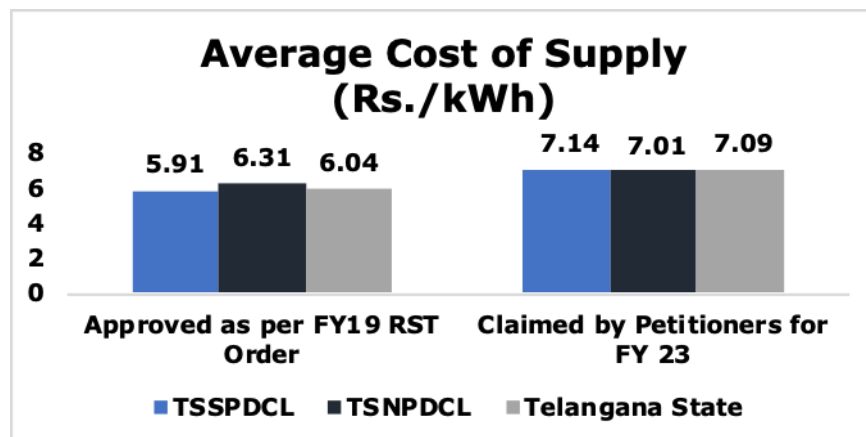
- xiii. It is submitted that the Annual Audited Accounts of TSPDCL and TSNPDCL up to FY 2020-21 have been issued.
- xiv. Despite this, the Petitioners have failed to file true up for the past years. It is prayed that the Hon'ble Commission may direct the Petitioners file such true-up petitions so that any refund on account of true-up may be realized by the consumers.

#### 4 ABSENCE OF CONSOLIDATED WORKING EXCEL MODEL

- xv. The Licensees have not provided the consolidated working excel model along with the tariff Petitions and the additional information submitted, the absence of which, hinders the process of stakeholder commentary as well as prudence check process of the Hon'ble Commission.

#### 5 AVERAGE COST OF SUPPLY (2018-19 VS 2022-23)

- xvi. In the instant Petitions, Licensees have projected a significantly higher average cost of service than the approved in last Retail Supply order for the FY 2018-19. Using the same, the Objector has compiled the charts that depicts the pattern for Average Cost of Supply (ACoS) claimed against that approved by Hon'ble Commission in the FY 2018-19 and also the provisional data for FY 2022-23.



- xvii. It is humbly pointed out from the charts that Licensees have projected an increase of around 17-21 % in the Average Cost of Supply (ACoS) for FY 2022-23 over the approved figure for FY 2018-19 respectively.
- xviii. Furthermore, the ACoS claimed by the Andhra Pradesh Discoms for FY 2022-23 in their Retail Tariff Petitions is 27 paise lesser than that claimed by Telangana Discoms.

## 6 AGGREGATE REVENUE REQUIREMENT (ARR) CLAIMED BY TELANGANA DISCOMS FOR FY 2022-23

- xix. The TSSPDCL and TSNPDCL has projected an Annual Revenue Requirement of Rs. 34,870.18 Crores and Rs. 18,183.37 Crores respectively for FY 2022-23. The ARR along with its treatment proposed by the TSSPDCL and TSNPDCL is provided in the table below:

### ARR CLAIMED BY PETITIONERS FOR FY 2022-23

(All figures in Rs. Crores)

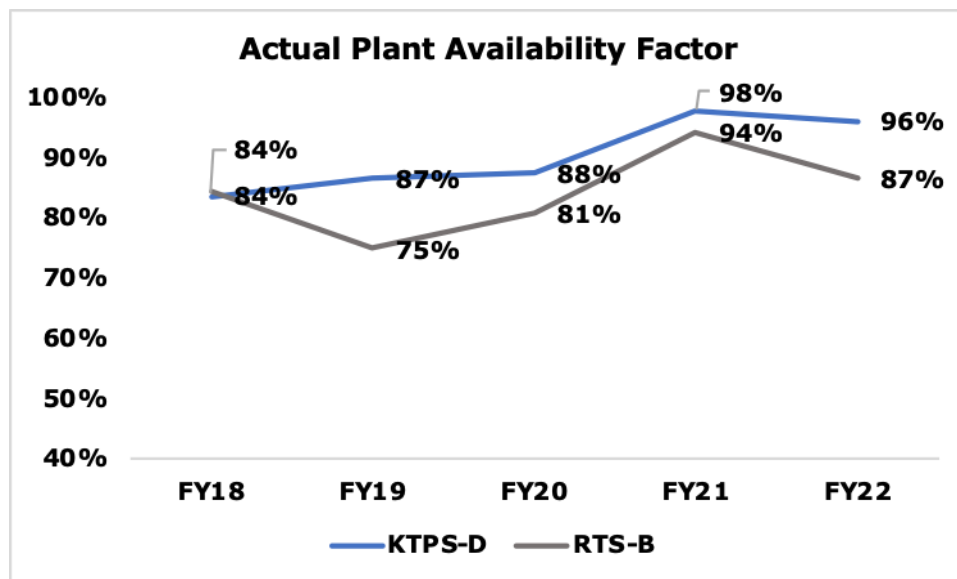
Particulars	TSSPDCL	TSNPDCL	TOTAL
Transmission Cost	2,383.64	1,005.43	3,389.07
SLDC Cost	31.67	13.23	44.90
Distribution Cost	4,670.72	3,601.25	8,271.97
PGCIL & ULDC Expenses	1,160.55	484.45	1,645.00
<b>Network and SLDC Cost (A)</b>	<b>8,246.58</b>	<b>5,104.36</b>	<b>13,350.94</b>
Power Purchase / Procurement Cost	26,411.20	13,003.88	39,415.08
Interest on Consumer Security Deposits	174.75	49.09	223.84
Supply Margin in Retail Supply Business	37.65	26.04	63.69
Other Costs if any	-	-	-
<b>Supply Cost (B)</b>	<b>26,623.60</b>	<b>13,079.01</b>	<b>39,702.61</b>
<b>Aggregate Revenue Requirement (A+B)</b>	<b>34,870.18</b>	<b>18,183.37</b>	<b>53,053.55</b>
Non-Tariff Income	33.10	29.41	62.51
<b>Net Revenue Requirement</b>	<b>34,837.08</b>	<b>18,153.96</b>	<b>52,991.04</b>
<b>Total Revenue</b>			
Revenue at Existing Tariffs (without considering the Government subsidy u/s 65 of the Electricity Act, 2003)	<b>25,708.48</b>	<b>10,702.76</b>	36,411.24
<b>Revenue Deficit(-)/Surplus(+) at Current Tariffs</b>	<b>-9,128.60</b>	<b>-7,451.20</b>	<b>-16,579.80</b>
Government Subsidy u/s 65 of the Electricity Act, 2003	1,397.50	4,254.15	5,651.65
<b>Net gap - Deficit(-)/Surplus(+)</b>	<b>-7,731.10</b>	<b>-3,197.05</b>	<b>-10,928.15</b>

- xx. The Objections in respect of the ARR projected by the Petitioners for FY 2022-23 are summarised below:

## 7 POWER PURCHASE COST

### A. TSGENCO Thermal Power Stations:

- xxi. From Annexure – XX of TSSPDCL’s Reply to Additional Information on Aggregate Revenue Requirement & Tariff Proposals for FY 2022-23, it can be observed that the actual Plant Availability Factor (PAF) of TSGENCO Stations have mostly been above 80% in the last five years. However, the generation in FY 2022-23 has been projected at or less than 80% in respect of KTPS D and RTS B Stations (Average PAF was 90.40% for KTPS D and 84.17% for RTS B in previous five years):



- xxii. In light of the same, the projected PAF in FY 2022-23 ought to be considered at 85% instead of 80% for the TSGENCO plants, which is the norm set by the CERC Tariff Regulations, 2019.
- xxiii. TSSPDCL in the Sheet titled PP Assumptions in Annexure XI to its Reply to Additional Information on Aggregate Revenue Requirement & Tariff Proposals for FY 2022-23, has submitted that it has considered Fixed Cost as per Apr-Aug (as per actuals), Sept-Mar (as per TSGENCO projections) for KTPS D, KTPS Stage VI, RTS B, Kakatiya TPP Stage II Stations and KTPS VII.
- xxiv. It is submitted that the Fixed Charges ought to be limited, considering the Fixed Charges as approved by the Hon’ble Commission in its latest TSGENCO Tariff Order instead of the escalations/projections made by the Petitioner. The latest TSGENCO Tariff Order was issued on 05.06.2017 and the Fixed Charges approved for FY 2018-19 ought to be considered in the absence of any GENCO Order approved for FY 2022-23. This approach is upheld by the CERC Generation Tariff Regulations, 2019. The relevant extract is reproduced below:



### **"10. Determination of tariff**

*(4) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations:*

*Provided that the billing for energy charges w.e.f. 1.4.2019 shall be as per the operational norms specified in these regulations."*

- xxv. It can be observed from the following table that the Petitioners have deviated from this approach:

Station	Fixed Cost approved in TSGENCO Tariff Order dt. 05.06.2017 (page no. 53)	Fixed Cost as per claimed by Petitioner
	INR Crore	INR Crore
<b>TSGENCO Thermal</b>		
KTPS D	286.27	392.05
KTPS Stage VI	514.04	518.11
RTS B	54.49	122.09
Kakatiya Thermal Power Plant Stage II	757.70	847.17
KTPS VII	622.22*	1,178.66

*\*Note: The Hon'ble TSERC had approved AFC for KTPS VII as Rs. 311.11 Crores for FY 2018-19 at page 75 of the TS Discoms Retail Supply Order dated 27.03.2018 for FY 2018-19. It is submitted that the Hon'ble Commission had approved this number considering 6 months availability for KTPS VII. Since the instant filings consider an availability of one year, the Objector has taken AFC for KTPS VII as twice of Rs. 311.11 Crores, which is Rs. 622.22 Crores.*

- xxvi. Further, in the case of BTPS Unit 1-4 (7361.10 MU), it can be observed that the Petitioners have claimed an arbitrary increase of more than 10% in the variable charges as per actuals of FY 2020-21 and Fixed Charges considered for the months of operation after CoD. In this regard, it is pointed out that the Petitioners have not provided any data as to why such hike has been claimed in variable charges. Furthermore, last coal price hike for domestic coal, by Coal India Ltd. was in 2018. In view of the same, the escalation considered by them is not tenable and ought to be disallowed.
- xxvii. The Petitioner has claimed Rs. 40 Crores towards Other Costs without any justification or supporting documentation. The same ought to be disallowed.
- xxviii. In accordance to the above objections, the Objector has proposed a cumulative disallowance of Rs. 1156.64 Crores pertaining to power procured from TSGENCO Thermal Stations.

xxix. The detailed computations have been attached herewith as **Annexure-B**.

### **B. TSGENCO Hydel Power Stations:**

- xxx. From the Sheet titled PPC act in Annexure XI to its Reply to Additional Information on Aggregate Revenue Requirement & Tariff Proposals for FY 2022-23, TSSPDCL has recorded that the Estimated Energy Availability and Energy Despatch from Hydel Power Stations is 4921 MUs for FY 2021-22, while for FY 2022-23, the same has been projected as 4000 MUs. There is no rationale provided by the Petitioner for estimating a fall in the energy despatch by 921 MUs for FY 2022-23.
- xxxi. Further, it is observed that despite projecting a fall in the energy despatch of the Hydel Stations, the Petitioners have proposed an increase in Fixed Charges by Rs. 170.83 Crores. There is no Tariff Order that mandates such increase in Fixed Cost as projected by the Petitioner.
- xxxii. The availability from hydro stations has been estimated at 4921 MUs in the Objector's assessment scenario. Such increase of 921 MUs would offset expensive power procurement (explained later).
- xxxiii. In accordance to the above objections, the Objector has proposed a cumulative disallowance of Rs. 170.83 Crores pertaining to power procured from TSGENCO Hydel Stations.
- xxxiv. The detailed computations have been attached herewith as **Annexure-C**.

### **C. Central Generation Stations:**

- xxxv. TSSPDCL, in the Sheet titled PP Assumptions in Annexure XI to its Reply to Additional Information on Aggregate Revenue Requirement & Tariff Proposals for FY 2022-23, has submitted that it has considered Fixed Cost as follows:
- NTPC (SR) - I & II, NTPC (SR) Stage III, Talcher Stage 2 and NPTC Simhadri Stage I: Apr-Aug (as per actuals), Sept-Mar - FY 19 FC (as per CERC Tariff Order) escalated by growth rate (FY 19 vs FY 18)*
- xxxvi. It is submitted that the Fixed Charges ought to be limited, considering the Fixed Charges as approved by the Hon'ble CERC in its latest Tariff Orders instead of the escalations made by the Petitioner. It is to be noted that the Fixed Charges approved for FY 2018-19 ought to be considered in the absence of any CERC Order approved for FY 2022-23. This approach is upheld by the CERC Generation Tariff Regulations, 2019. The relevant extract is reproduced below:

### **"10. Determination of tariff**

*(4) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations:*

*Provided that the billing for energy charges w.e.f. 1.4.2019 shall be as per the operational norms specified in these regulations."*

xxxvii. It can be observed from the following tables that the Petitioners have deviated from this approach:

Station	Fixed Cost approved in Tariff Order (INR Crore)	Source
NTPC (SR) - I & II	1,061.23	Page No. 36 of CERC Order dated 24.01.2017 in Petition No. 292/GT/2014
NTPC (SR) Stage III	290.82	Page No. 41 of CERC Order dated 17.11.2021 in Petition No. Petition No: 444/GT/2020
Talcher Stage 2	1,007.23	Page No. 44 of CERC Order dated 16.02.2017 in Petition No. 293/GT/2014
NTPC Simhadri Stage I	661.99	Page No. 25 of CERC Order dated 27.06.2016 in Petition No. 270/GT/2014

\*The relevant Orders have been attached herewith as **Annexure-D**.

Station	Fixed Cost approved in Tariff Order	Telangana Share	Net Availability as projected by Petitioner	Normative Plant Availability Factor as per CERC	Fixed Cost as per Petitioner	Fixed Cost as per Objector's Assessment
	INR Crore	%	%	%	INR Crore	INR Crore
	A	B	C	D	E	F: if C>=D, F=A*B if C<D, F=A*B*(C/D)
NTPC (SR) - I & II	1,061.23	16.45%	95.38%	85.00%	188.60	174.57
NTPC (SR) Stage III	290.82	17.34%	101.32%	85.00%	57.15	50.43
Talcher Stage 2	1,007.23	10.72%	93.08%	85.00%	117.79	107.98
NTPC Simhadri Stage I	661.99	53.89%	93.73%	85.00%	478.57	356.75

- xxxviii. Further, the Petitioners have considered Power Purchase of 3,499.63 MUs for Rs. 1,585.33 Crores (Rs. 4.53/kWh) from Telangana STPP (Phase I). The Petitioner has not submitted any details with respect to the project construction progress pertaining to the Telangana STPP (Phase I) to back up its claims towards such high-power purchase quantum and rate. It is not clear whether the Hon'ble Central Commission has approved the fixed charge claimed by the Petitioner or not.
- xxxix. The Objector has not considered any power purchase from Telangana STPP (Phase I) and has instead offset such power purchase quantum from TSGENCO Hydel (921 MUs) and Additional Short Term Power Purchase of 2,578.56 MUs at average DAM market price (FY 2020-21) of Rs. 2.82/kWh. The detailed computations have been attached herewith as **Annexure-E**.
- xl. In accordance to the above objections, the Objector has proposed a cumulative disallowance of Rs. 1,760.29 Crores pertaining to power procured from Central Generating Thermal Stations. The detailed computations have been attached herewith as **Annexure-F**.

#### **D. Other Stations:**

- xli. In the case of Singareni CCL I TPS, the Petitioners have projected an increase in Variable Charge Rate by 14% for FY 2022-23 over the actuals of FY 2020-21. It is pointed out that the Petitioners have not submitted any data to justify such arbitrary escalation. In view of the same, the escalation considered by them is not tenable and ought to be disallowed.
- xlii. The Petitioners have also claimed Rs. 2.20 Crores and Rs. 62.37 Crores towards Other Costs for Power Purchase from Singareni CCL I TPS and Thermal Power Tech TPS respectively, without any justification or supporting documentation. The same ought to be disallowed.

#### **E. Short Term Power Purchase and D-D Sales:**

- xliii. The Petitioner has considered procurement of 2393 MU at an average rate of Rs. 3.85/kWh to meet seasonal shortages. Most of the shortages projected by the Discoms are in the months of August, December, January, February and March, which are the lean demand seasons where prices at power exchanges are typically lower.
- xliv. The projected surplus months of Telangana are typically the shortage months for NR (Northern) States and the projected shortage months of Telangana are typically the surplus months of NR States. Discoms should enter into banking contracts with NR States to avoid burden on the consumers.

- xlv. Notwithstanding the above, the average rate of Rs. 3.85/kWh considered by the Discoms is significantly on the upper side. As has been mentioned earlier, the actual average rate of power in power exchange for DAM Market in FY 2020-21 was Rs. 2.82/kWh. The Objector has used the actual monthly DAM MCP for FY 2020-21 and actual monthly RTM MCP for FY 2020-21 (whichever was lower) for arriving at the Short Term Power Purchase Cost allowable. The effect of the same is reflected in the D-D purchase cost as well. The detailed computations have been attached herewith as **Annexure-E** as has been mentioned earlier. This has resulted in a cumulative disallowance of Rs. 312.95 Crores.

#### **F. Surplus Power:**

- xlvi. The Petitioners have estimated 5459 MUs as surplus power which is estimated to be sold at an average price of Rs. 2.90/kWh. Revenue from such surplus power (Rs. 1581 Crores) has not been subtracted from the Power Purchase Cost.

xlvii. The Summary of Disallowances in Power Purchase Cost as per the Objector's Assessment is summarized below:

Particulars	Power Purchase Cost as per Petitioner's Submission								
	State			TSSPDCL			TSNPDCL		
	2022-23 (projections)			2022-23 (projections)			2022-23 (projections)		
	PP MU	PP Cost (INR Cr.)	PP Cost (INR/kWh)	PP MU	PP Cost (INR Cr.)	PP Cost (INR/kWh)	PP MU	PP Cost (INR Cr.)	PP Cost (INR/kWh)
TSGENCO Thermal	27,206.10	13,288.99	4.88	19,193.90	9,375.38	4.88	8,012.20	3,913.61	4.88
TSGENCO Hydel	4,000.00	1,351.98	3.38	2,822.00	953.82	3.38	1,178.00	398.16	3.38
CGS stations	19,499.53	8,113.45	4.16	13,756.92	5,724.04	4.16	5,742.61	2,389.41	4.16
APGPCL	-	-	-	-	-	-	-	-	-
NCES	8,953.18	4,485.57	5.01	6,271.16	3,161.69	5.04	2,682.02	1,323.87	4.94
IPPs (Thermal Power Tech)	6,985.90	3,146.20	4.50	4,928.55	2,219.65	4.50	2,057.35	926.56	4.50
Singareni	7,466.00	3,650.10	4.89	5,267.26	2,575.14	4.89	2,198.74	1,074.95	4.89
CSPGCL	6,349.58	2,476.33	3.90	4,479.63	1,747.05	3.90	1,869.95	729.28	3.90
Inter-Discom purchase			-	-4,074.07	-1,393.26	3.42	4,074.07	1,393.26	3.42
Short-term power purchase	2,392.65	920.39	3.85	1,688.01	649.33	3.85	704.64	271.05	3.85
Additional Short Term Purchase to offset Telangana STPP-1									
PTC	1,368.84	587.23	4.29	965.72	414.29	4.29	403.12	172.94	4.29
Interest on pension bonds		1,394.83	-		984.05	-		410.78	-
Other Costs		-	-		-	-		-	-
<b>Total</b>	<b>84,221.77</b>	<b>39,415.08</b>	<b>4.68</b>	<b>55,299.08</b>	<b>26,411.20</b>	<b>4.78</b>	<b>28,922.69</b>	<b>13,003.88</b>	<b>4.50</b>

Power Purchase Cost as per Objector's Assessment									
Particulars	State 2022-23			TSSPDCL 2022-23			TSNPDCL 2022-23		
	PP MU	PP Cost (INR Cr.)	PP Cost (INR/kWh)	PP MU	PP Cost (INR Cr.)	PP Cost (INR/kWh)	PP MU	PP Cost (INR Cr.)	PP Cost (INR/kWh)
TSGENCO Thermal	27,206.10	12,132.35	4.46	19,193.90	8,559.37	4.46	8,012.20	3,572.98	4.46
TSGENCO Hydel	4,921.07	1,181.16	2.40	3,471.82	833.30	2.40	1,449.26	347.85	2.40
CGS stations	15,999.90	6,353.16	3.97	11,287.93	4,482.16	3.97	4,711.97	1,871.01	3.97
APGPCL	-	-	-	-	-	-	-	-	-
NCES	8,953.18	4,485.57	5.01	6,271.16	3,161.69	5.04	2,682.02	1,323.87	4.94
IPPs (Thermal Power Tech)	6,985.90	3,083.84	4.41	4,928.55	2,175.65	4.41	2,057.35	908.19	4.41
Singareni	7,466.00	3,373.04	4.52	5,267.26	2,379.68	4.52	2,198.74	993.36	4.52
CSPGCL	6,349.58	2,476.33	3.90	4,479.63	1,747.05	3.90	1,869.95	729.28	3.90
Inter-Discom purchase			-	-4,074.07	-1,202.63	2.95	4,074.07	1,202.63	2.95
Short-term power purchase	2,392.65	607.43	2.54	1,688.01	428.54	2.54	704.64	178.89	2.54
Additional Short Term Purchase to offset Telangana STPP-1	2,578.56	727.26	2.82	1,819.17	513.08	2.82	759.38	214.18	2.82
PTC	1,368.84	587.23	4.29	965.72	414.29	4.29	403.12	172.94	4.29
Interest on pension bonds		1,394.83	-		984.05	-		410.78	-
Other Costs		-	-		-	-		-	-
<b>Total</b>	<b>84,221.77</b>	<b>36,402.20</b>	<b>4.32</b>	<b>55,299.08</b>	<b>24,476.25</b>	<b>4.43</b>	<b>28,922.69</b>	<b>11,925.95</b>	<b>4.12</b>



Particulars	Disallowances in Power Purchase Cost claimed by the Petitioners as per Objector's Assessment (INR Crores)		
	State	TSSPDCL	TSNPDCL
TSGENCO Thermal	1,156.64	816.01	340.63
TSGENCO Hydel	170.83	120.52	50.31
CGS stations	1,760.29	1,241.89	518.41
APGPCL	-	-	-
NCES	-	-	-
IPPs (Thermal Power Tech)	62.37	44.00	18.37
Singareni	277.06	195.47	81.59
CSPGCL	-	-	-
Inter-Discom purchase	-	-190.63	190.63
Short-term power purchase	312.95	220.79	92.16
Additional Short Term Purchase to offset Telangana STPP-1	-727.26	-513.08	-214.18
PTC	-	-	-
Interest on pension bonds	-	-	-
Other Costs	-	-	-
<b>Total</b>	<b>3,012.88</b>	<b>1,934.95</b>	<b>1,077.93</b>

## 8 DISTRIBUTION COST

- xlvi. The following directives were given in the Distribution MYT order dt. 29.04.2020 by Hon'ble Commission:

### **"2. Annual Performance Review**

The Commission directs the DISCOMs to file the Performance Review (true-up) for each year of 4th Control Period before 31st December of the following year. As a first step, the DISCOMs shall file the Annual Performance Review for FY 2019-20 by 31.12.2020.

### **3. True-up for 1st, 2nd and 3rd Control Periods**

The Commission directs the DISCOMs to submit their true-up claims along complete details sought regarding the capitalisation claimed for each year of the 1st, 2nd and 3rd Control Periods in the Petitions to be filed for Annual Performance Review for FY 2019-20. The DISCOMs are also directed to submit the requisite supporting documents such as Physical Completion Certificates (PCCs), Financial Completion Certificates (FCCs) etc. as mandated in the investment approval guidelines.

The Commission directs the DISCOMs to make a detailed submission regarding the differential treatment of GoTS under the UDAY scheme and likely consequences of the same in in the Petitions to be filed for Annual Performance Review for FY 2019-20

The Commission directs the DISCOMs to submit the details of long-term loans viz., loans availed for capital expenditure, taken over by GoTS under

*UDAY scheme in the Petitions to be filed for Annual Performance Review for FY 2019-20.*

#### **4. Computation of depreciation in accordance with CERC (Terms and Conditions of Tariff) Regulations, 2019**

*The Commission directs the DISCOMs to submit the computations of depreciation for each year of 4th Control Period in accordance with the provisions of the CERC Tariff Regulations, 2019 in Annual Performance Review for each year of 4th Control Period.*

#### **5. Capital Investments**

*The DISCOMs shall seek approval for individual schemes at least 90 days undertaking the investment in accordance with the Guidelines for Investment Approval. The individual schemes/ projects submitted by the DISCOMs for Commission's approval must provide complete details including those relating to the cost and capitalisation for each year of 4th Control Period.*

*Considering the importance of capitalisation of works, the Commission lays down the following requirements to be fulfilled before accepting inclusion of the value of capitalised work in the Original Cost of Fixed Assets (OCFA):*

- a. On completion of a capital work, a physical completion certificate (PCC) to the effect that the work has been fully executed, physically, and the assets created are put in use, to be issued by the concerned engineer not below the rank of Superintendent Engineer.*
- b. The PCC shall be accompanied or followed by a financial completion certificate (FCC) to the effect that the assets created have been duly entered in the fixed assets register by transfer from the Capital Works in Progress (CWIP) register to OCFA. The FCC shall have to be issued by the concerned finance officer not below the rank of Senior Accounts Officer.*
- c. The above-mentioned certificates have to be submitted to the Commission within 60 days of completion of work, at the latest.*

*The Commission may also inspect or arrange to inspect, at random, a few of the capitalised works included in the OCFA to confirm that the assets created are actually being used and are useful for the business."*

- xlix. None of the above directives have been complied with, by the Discoms.
- l. In light of above, the Objector submits that the Hon'ble Commission may reprimand the Discoms and issue a directive of disallowance or withholding of 30% of its Distribution cost on the account of non-adherence to MYT Regulations and non-compliance with Directives.

- li. In this regard, it is pertinent to mention that in its Order dated 31.05.2013, in Suo - Motu Case No. 01 of 2013 & Petition Nos.: 849/2012 & 883/2013, pertaining to 'Determination Of Annual Revenue Requirement (ARR) And Tariff for FY 2013-14 Along With True Up for FY 2008-09, 2009-10 And 2010-11 Of Uttar Pradesh Power Transmission Corporation Limited (UPPTCL)', the Hon'ble Uttar Pradesh Electricity Regulatory Commission (Hon'ble UPERC) had withheld 20% of Depreciation for non-compliance of directive by UPPTCL. The relevant extract is reproduced below:

"C) The Commission's views:

*3.2.41 The Commission has already expressed its displeasure on the non maintenance of fixed asset registers. However, the Commission has initiated suo-motu proceedings for tariff determination based on its best judgment of the actual capital investments and capitalisation in the transmission segment based on audited accounts.*

**3.2.42 As a first step towards reprimanding the Licensee over the issue of non-preparation of fixed asset registers, the Commission has withheld 20% of the allowable depreciation for FY 2013-14. The same would be released for recovery through tariff, upon submission of fixed asset registers up to the current year i.e., FY 2012-13."**

**(Emphasis supplied)**

- lii. Also, in its Tariff Order of FY 2019-20 dated 27.08.2019 for UPPTCL, the Hon'ble UPERC had disallowed 50% of RoE on account of UPPTCL deviating from the UPERC MYT Regulations. The relevant extract is reproduced below:

**"7.11.6 The Return on Equity computed by the Commission for FY 2019-20 comes out to be Rs. 176.26 Crore, however as UPPTCL has not followed the UPERC (Multi Year Transmission Tariff) Regulation 19 A and the Commission showing its displeasure has allowed only 70% of Capital Investment & 70% of O&M expenses and further the Commission allows only 50% of the Return on Equity claimed by the Petitioner i.e. 1% which comes out to be as Rs. 86.13 Crore."**

**(Emphasis supplied)**

The relevant Orders are attached herewith as **Annexure-G**.

## **9 PGCIL & ULDC CHARGES**

- liii. As per the PGCIL charges computation provided by TSSPDCL & TSNPDCL in their Annexures – IX & XVIII respectively, the applicable capacity considered for the calculation of POC charges is cumulatively 4669 MW for FY 2022-23 for the State of Telangana. It is observed from the SRPC RTA & RTDA account for the

billing month of January, 2022 that the current actual allocated capacity is to the tune of 4304.91 MW. The Objector has computed the transmission charges considering the current actual capacity of 4304.91 MW instead of 4669 MW considered by the Discom.

- liv. The Petitioners have claimed Rs. 12 Crores under the head of STOA charges as per the Annexures IX & XVIII submitted as part of their Additional Information responses. It is submitted that as per the Hon'ble CERC's "Sharing of Inter-State Transmission Charges and Losses Regulations, 2020 in STOA Collective and Bilateral Transactions", no transmission charges for Short Term Open Access for inter-State transmission system, shall be payable by a distribution licensee which has Long Term Access or Medium Term Open Access or both, or by a trading licensee acting on behalf of such distribution licensee. Pursuant to the said Regulations, it is prayed that the Hon'ble Commission may disallow claim of Rs. 12 Crores made by the Petitioners.

SRPC Website - Transmission Charges for Telangana			
Month	MW	Transmission Charges (INR)	INR/MW/month
Jan-21	4159	1207502778	290347
Feb-21	4191	1210948173	288950
Mar-21	4239	1324378279	312401
Apr-21	4251	1213158171	285368
May-21	4257	1302220364	305896
Jun-21	4248	1251447377	294583
Jul-21	4250	1229223335	289235
Aug-21	4241	1153781639	272030
Sep-21	4258	1169008077	274523
Oct-21	4264	1082824108	253947
<b>Average (A)</b>			<b>290370</b>

#### Objector's Assessment of PGCIL Charges for FY 2022-23

Particulars	Units	Petitioner as per Annexure IX & XVIII	Objector Assessment as per SRPC RTDA Accounts
		Value	Jan-22
Capacity applicable for POC charges (TS share) <b>(B)</b>	MW	4669	4305
PGCIL (Non-POC) Charges for H1 FY 22	INR Cr.	0.4	0.4
SRLDC Fees & Charges for H1 FY 22	INR Cr.	3	3
STOA Charges for H1 FY 22	INR Cr.	10	10
Short-term quantum for H1 FY 22 (excl. PTC)	MU	1985	1985
Per-unit STOA charge for H1 FY 22	INR/kWh	0.05	0.05
Expected Short-term purchase quantum for FY 23 (excl. PTC)	MU	2393	2393

(All Figures in Rs. Crores)

PGCIL Charges for FY 2022-23	Petitioner Submission as per Annexure IX & XVIII	Objector's Assessment as per SRPC RTDA Accounts
Particulars	Value	Value
PGCIL (POC) charges for FY 23 (C) (C = A*B*12/10 <sup>7</sup> )	1,627	1500
PGCIL (Non-POC) Charges for FY 23	1	1
SRLDC Fees & Charges for FY 23	6	6
STOA Charges for FY 23	12	-
<b>Total PGCIL Charges for FY 23</b>	<b>1,645</b>	<b>1,507</b>
<b>TSSPDCL PGCIL Charges for FY 23</b>	<b>1,160.55</b>	<b>1,062.96</b>
<b>TSNPDCL PGCIL Charges for FY 23</b>	<b>484.45</b>	<b>443.72</b>

(All Figures in Rs. Crores)

FY 2022-23	Petitioner Submission (A)	Allowable as per Objector's Assessment (B)	Proposed Disallowance (A-B)
<b>TSSPDCL</b>	1,160.55	1,062.96	<b>97.59</b>
<b>TSNPDCL</b>	484.45	443.72	<b>40.73</b>
<b>Total PGCIL charges</b>	<b>1,645.00</b>	<b>1,506.67</b>	<b>138.33</b>

The relevant extract of the SRPC RTDA Accounts for January, 2022, are attached herewith as **Annexure-H**.

- iv. It is respectfully submitted that the Hon'ble Commission may consider the Objector's proposed disallowance and allow the same after due prudence check.

## 10 NON-TARIFF INCOME

- lvi. The Discoms have claimed NTI towards Retail Supply Business to the tune of Rs. 65.60 Crores and Rs. 62.51 Crores for FY 2020-21 and FY 2022-23, respectively. It is the observation of the Objector that the Discoms have understated Non-Tariff Incomes in comparison to the figures recorded in the Audited Accounts of the Discoms. As per the Audited Accounts of FY 2020-21, the NTI booked for Retail and Distribution Business is Rs. 2089.13 Crores while the NTI for Distribution Business as approved in the Distribution MYT Order dated 01.03.2021, is Rs. 608.79 Crores – which indicates that the balance amount of 1480.34 Crores is attributable to the Retail Supply Business.

- lvii. Assuming the overall NTI on the basis of the Audited Accounts of FY 2020-21 and the Distribution NTI on the basis of Distribution MYT Order, the Objector has estimated Rs. 1,377.20 Crores as NTI for both Discoms for FY 2022-23 for Retail Supply Business.

### Objector Assessment of Non-Tariff Income for FY 2022-23

(All Figures in Rs. Crores)

Non-Tariff Income	TSSPDCL		TSNPDCL		Total	
	Actuals	Objector's Assessment	Actuals	Objector's Assessment	Actuals	Objector's Assessment
Particulars	2020-21	2022-23	2020-21	2022-23	2020-21	2022-23
<b>As per accounts (A)</b>	1346.49	1346.49	742.64	742.64	2089.13	2089.13
<b>Approved in Distribution Order (B)</b>	456.87	536.47	151.92	175.46	608.79	711.93
<b>Balance understated allowable for Retail Supply Business (A-B)</b>	<b>859.63</b>	<b>810.02</b>	<b>555.11</b>	<b>567.18</b>	<b>1414.74</b>	<b>1377.20</b>

- lviii. It is respectfully submitted that the Hon'ble Commission may align the Non-Tariff incomes strictly in line with the audited accounts and reduce it from the ARR being approved.

## 11 SALES PROJECTIONS

- lix. Arbitrary escalation has been considered by the Discoms for projecting the sales for FY 2021-22 (H2) and FY 2022-23. For categories, such as LT I –Domestic, HT 33 kV, the growth is taken equal to or more than 7% while the 1-year, 2-year, 3-year, 4-year and 5-year CAGR is not more than 5%. Even as per the CEA<sup>1</sup>, the Electrical Energy Requirement is projected to increase at a CAGR of 4.42% for the period FY 2021-22 to FY 2026-27 for Telangana under the Optimistic scenario. Hence, we humbly submit that the Hon'ble TSERC may consider the escalation as per the actual 5-year CAGR for the respective categories.
- lx. The connected load for LT V – Agricultural consumers is increasing Y-o-Y, as shown in table below; however, the energy sales are decreasing. The Objector

<sup>1</sup>Pg 120, [https://cea.nic.in/old/reports/others/planning/pslf/Long\\_Term\\_Electricity\\_Demand\\_Forecasting\\_Report.pdf](https://cea.nic.in/old/reports/others/planning/pslf/Long_Term_Electricity_Demand_Forecasting_Report.pdf)

submits that the rationale and contentions of the Petitioner towards projection of agricultural sales defies logic and the sales projections ought to be re-worked by this Hon'ble Commission. Correct and prudent estimation of the agricultural consumption is vital as subsidy support from State Government hinges on this aspect.

FY	TSSPDCL		TSNPDCL	
	Connected Load (HP)	Sales (MU)	Connected Load (HP)	Sales (MU)
2018-19	5522130	12637.78	5733821	8200
2019-20	5668800	10818.39	5906250	7138
2020-21	5898650	11744.84	6095822	7903
2021-22	6198700	11647.65	6416837	7837
2022-23	6448700	11181.74	6737852	7524

ixi. It is prayed that the Hon'ble Commission may examine this aspect.

## 12 GOVERNMENT OF TELANGANA SUBSIDY

ixii. As per the Retail Supply Tariff (RST) Order for FY 2018-19, the Hon'ble Commission has approved the subsidy requirement as shown below:

6.9.5 The details of subsidy requirement computed by the Commission is as shown in the Table below:

**Table 6.6: Subsidy for FY 2018-19 (Rs. crore)**

S. No.	Consumer category	SPDCL	NPDCL	Total
1	LT I: Domestic	267.03	969.62	<b>1236.64</b>
2	LT V: Agriculture	1130.48	3284.52	<b>4415.00</b>
3	<b>Sub-total</b>	<b>1397.50</b>	<b>4254.14</b>	<b>5651.64</b>
4	RESCO (4.1+4.2)	-	288.82	288.82
4.1	<i>LT I: Domestic</i>	-	16.39	16.39
4.2	<i>LT V: Agriculture</i>	-	272.44	272.44
<b>3+4</b>	<b>Total</b>	<b>1397.50</b>	<b>4542.96</b>	<b>5940.47</b>

ixiii. It is pertinent to mention that the Hon'ble Commission in the Retail Supply Tariff (RST) Order for FY 2018-19 had stated that in case of non-commitment by GoTS for the release of the said differential amount by 30.09.2018, the DISCOMs shall file Petition(s) before the Commission seeking appropriate relief. The relevant paragraphs of the Retail supply order for FY 2018-19 towards administration of subsidy are reproduced below:

"6.9.3 As against the subsidy requirement of Rs. 5940.47 crore computed by the Commission for FY 2018-19, GoTS has informed that an amount of Rs. 4984.30 crore has been provisioned in the Budget, for reimbursement towards agriculture and allied subsidy for FY 2018-19 and the balance amount will be examined at appropriate time. Taking cognizance of the communication of GoTS, the Commission determines the Retail Supply Tariffs to be applicable for FY 2018-19, the same as per the Reference Tariff Schedule indicated above.

6.9.4 The DISCOMs should positively pursue for the release of the differential amount between the subsidy requirement communicated by the Commission vide its letter dated 28.02.2018 and the provisional subsidy amount communicated by GoTS vide its letter dated 24.03.2018. **In case of non-commitment by GoTS for the release of the said differential amount by 30.09.2018, the DISCOMs shall file Petition(s) before the Commission seeking appropriate relief. The Commission shall take an appropriate view based on the scrutiny of the said Petition(s) of the DISCOMs"**

**(Emphasis supplied)**

- lxiv. It is observed from the Audited Accounts of TSSPDCL and TSNPDCL for FY 2018-19 that there has been a shortfall in the subsidy amount received from the Government of Telangana. Observably, this has been repeated for FY 2019-20 as well.
- lxv. To the best of the Objector's knowledge, despite the clear direction of the Hon'ble Commission to file a Petition seeking appropriate relief in case of non-commitment by GoTS for the release of the said differential amount towards subsidy, the Petitioners have apparently not filed any such Petition. It is prayed that the Hon'ble Commission may take cognizance of such neglect of the Petitioners and reprimand them.



- lxvi. **The Objector has computed the shortfall in subsidy receivable from the GoTS for FY 2018-19 to FY 2021-22, as shown below:**

(All figures in Rs. Crores)

FY	Subsidy claimed by Petitioner			Subsidy received from GoTS as per Audited Accounts			Shortfall		
	TSSPDCL	TSNPDC	Total	TSSPDCL	TSNPDC	Total	TSSPDCL	TSNPDC	Total
<b>FY19</b>	1,397.50	4,254.15	<b>5,651.65</b>	1,172.56	3,569.40	<b>4,741.96</b>	<b>224.94</b>	<b>684.75</b>	<b>909.69</b>
<b>FY20</b>	1,397.50	4,254.15	<b>5,651.65</b>	1,172.00	3,569.40	<b>4,741.40</b>	<b>225.50</b>	<b>684.75</b>	<b>910.25</b>
<b>FY21</b>	1,397.50	4,254.15	<b>5,651.65</b>	1,397.50	4,254.15	<b>5,651.65</b>	-	-	-
<b>FY22*</b>	1,397.50	4,254.15	<b>5,651.65</b>	-	-	-	<b>1,397.50</b>	<b>4,254.15</b>	<b>5,651.65</b>
<b>Total</b>	<b>5,590.00</b>	<b>17,016.60</b>	<b>22,606.60</b>	<b>3,742.06</b>	<b>11,392.95</b>	<b>15,135.01</b>	<b>1,847.94</b>	<b>5,623.65</b>	<b>7,471.59</b>

\*Note: Due to lack of Audited Accounts for FY 2021-22, the subsidy received from GoTS has been taken as nil

- lxvii. Notwithstanding the above, since the actual ACoS and Sales have changed from that approved for the Retail Supply Order for FY 2018-19, it is submitted that the actual subsidy requirement for FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22 is also different from that approved as per Retail Supply Order for FY 2018-19. Accordingly, the Objector has assessed the indicative subsidy requirement based on the sales (actual for FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 (H1) & projected for FY 2021-22 (H2)) of respective categories, the Average cost of supply and the revenue at the retail supply tariff:

TSSPDCL					
FY	Sales (LT-I & LT-V)	ACoS as per Petitioner	Revenue realized(LT-I & LT-V)	Subsidy Requirement as per actual ACoS and Sales	Subsidy Claimed by Petitioner
	MU	Rs./kWh	Rs. Crore	Rs. Crore	Rs. Crore
2018-19	20739.14	5.91	3,818.92	8,437.91	1,397.50
2019-20	19528.04	6.91	4,208.10	9,285.78	1,397.50
2020-21	20656.69	7.17	4,257.00	10,553.84	1,397.50
2021-22	20884.59	7.12	4,382.00	10,487.83	1,397.50

TSNPDCL					
FY	Sales (LT-I & LT-V)	ACoS as per Petitioner	Revenue realized(LT-I & LT-V)	Subsidy Requirement as per actual ACoS and Sales	Subsidy Claimed by Petitioner
	MU	Rs./kWh	Rs. Crore	Rs. Crore	Rs. Crore
2018-19	11396.86	6.31	1,179.81	6,011.61	4,254.15
2019-20	10685.12	7.07	1,351.60	6,202.78	4,252.15
2020-21	11672.05	7.20	1,536.00	6,867.88	4,254.15
2021-22	11801.44	7.56	1,588.00	7,333.89	4,254.15

- lxviii. The Objector submits that the subsidy requirement for LT I and LT V categories ought to be based on the projected sales of respective categories and the Average cost of supply. As per the Objector, the subsidy receivable from Govt. of Telangana for FY 2022-23 is of the tune of Rs. 8,523.91 Crores for TSSPDCL and Rs. 5,319.30 Crores for TSNPDCL.

**Subsidy requirement for TSSPDCL for FY 2022-23**

Consumer Categories	Energy Sales	ACoS computed by Objector*	Cost to Serve	Projected Revenue Assessment	Subsidy Requirement
	MU	Rs./kWh	Rs. Crore	Rs. Crore	Rs. Crore
	A	B	$C = A \times B / 10$	D	$E = C - D$
LT (Domestic)	9,883.53	6.27	6,199.91	4,632.45	1,567.46
LT Agriculture	11,181.74	6.27	7,014.28	57.82	6,956.45
<b>Total</b>	<b>21,065.27</b>		<b>13,214.18</b>	<b>4,690.27</b>	<b>8,523.91</b>

**Subsidy requirement for TSNPDCL for FY 2022-23**

Consumer Categories	Energy Sales	ACoS computed by Objector*	Cost to Serve	Projected Revenue Assessment	Subsidy Requirement
	MU	Rs./kWh	Rs. Crore	Rs. Crore	Rs. Crore
	A	B	$C = A \times B / 10$	D	$E = C - D$
LT (Domestic)	4,258.99	5.95	2,534.74	1,637.35	897.39
LT Agriculture	7,523.81	5.95	4,477.79	55.88	4,421.91
<b>Total</b>	<b>11,782.80</b>		<b>7,012.53</b>	<b>1,693.23</b>	<b>5,319.30</b>

\*Note: The ACoS as computed by the Objector has been provided in the forthcoming sections.

- lix. The Objector humbly submits that the Hon'ble Commission may consider the shortfall of subsidy receivable from the State of Telangana for FY 2018-19 till FY 2021-22 and the Subsidy Requirement for FY 2022-23 as assessed by the Objector (at paragraphs lxvi and lxvii respectively of the instant Objections) for the Telangana Discoms and allow the same in the instant proceedings towards the ARR for FY 2022-23 in line with the Section 65 of the Electricity Act, 2003.

**13 PROPOSED TARIFF HIKE AND CROSS SUBSIDY**

- lxx. The Telangana Discoms have proposed a significant hike in the tariff of all categories (except agriculture). The Objector submits that the State Government is free to provide subsidised or free power to any class of consumers. However, it should provide full and commensurate subsidy in such cases and there is no occasion to subsidise the cost of supplying free power / subsidised power by imposing the burden on the industrial consumers through cross subsidy. The Objector submits that the proposed tariff hike increases the Cross-subsidy % beyond the permissible range of  $\pm 20\%$  as per the Tariff Policy, 2016.

Category	As per TSSPDCL Claim		
	Cross subsidy level @Existing tariff w.r.t. ACoS	Cross subsidy level @Proposed tariff w.r.t. ACoS	Cross subsidy level @Proposed tariff w.r.t. Voltage-wise CoS
HT I -11 kV	13%	34%	41%
HT I - 33kV	4%	29%	59%
HT I - 132 kV	-15%	9%	48%
As per TSNPDCL Claim			
HT I -11 kV	17%	38%	64%
HT I - 33kV	10%	31%	56%
HT I - 132 kV	-14%	5%	26%

- lxxi. The Objector opposes the tariff hike proposed by the Telangana Discoms as the same is violative of the Electricity Act, 2003 and Tariff Policy, 2016.
- lxxii. Accordingly, 'Revenue changed through proposed tariff (incl. Cross Subsidy Surcharge & Additional Surcharge)' as claimed by Petitioners in their instant Petitions, amounting to Rs. 5,044.27 Crores for TSSPDCL and Rs. 1,786.63 Crores ought to be disallowed.

## 14 ADDITIONAL SURCHARGE

- lxxiii. The Petitioner has stated that it has filed Petition before Hon'ble Commission for determination of Additional Surcharge for first Half (H1) of 2022-23 on 29.11.2021 in accordance to the TSERC order in OP No. 23 of 2020 dated 18.09.2020.
- lxxiv. Accordingly, the Petitioner has estimated revenue from Additional Surcharge considering the proposals filed for H1 of FY22-23 at Rs. 4.06/kWh & the proposals filed for H2 of FY21-22 at Rs. 2.34/kWh for H1 & H2 of FY22-23 respectively.
- lxxv. The Objector submits that these rates are not tenable and nowhere in line with the Additional Surcharge rates approved by the Hon'ble Commission for FY 2021-22 H2 which was Rs. 0.96/kWh and for previous years, which was Rs. 0.52/kWh. It is submitted that the Hon'ble Commission may disallow any arbitrary revenue increase on account of such exaggerated Additional Surcharge rates claimed by the Petitioner.
- lxxvi. Furthermore, the Objector hereby brings to the notice of the Hon'ble Commission that there were several inadvertent errors apparent in the TSERC Order dated 24.12.2021 in O.P. No. 48-51 and IA No. 21-24 pertaining to

computation of Additional Surcharge (AS) for H1 and H2 for TSSPDCL and TSNPDCL respectively. The same are described in brief as follows:

- **Fixed charges for stranded capacity:** Strict prudence check of fixed charges for stranded capacity in terms of the regulatory process had to be carried out, but instead the amount recorded in the Audited Accounts has been taken at face value.
- **Inter-State Transmission Charges and SLDC Charges and Distribution Charges:** In the case of transmission charges, only intra-state transmission charge ought to have been considered for the determination of Additional Surcharge. Despite this, it is observed that inter-state transmission charges and SLDC charges, have been considered.

Further, the Distribution Cost at 11 kV, computed approximately as Rs. 0.69/unit, ought to be considered for the computation of Additional Surcharge, but instead the Hon'ble Commission has used Rs. 0.87/kWh.

## 15 SUMMARY OF OBJECTOR'S ASSESSMENT OF ALLOWABLE ARR FOR FY 2022-23

lxxvii. The ARR as per Objector's assessment vs Petitioner's submission are provided below:

### Summary of ARR for TSSPDCL for FY 2022-23

(All figures in Rs. Crores)

Particulars	Petitioner's Claim	Objector's Assessment	Disallowance
Transmission Cost	2,383.64	2,383.64	-
SLDC Cost	31.67	31.67	-
Distribution Cost	4,670.72	3,269.50	1,401.22
PGCIL & ULDC Expenses	1,160.55	1,062.96	97.59
<b>Network and SLDC Cost (A)</b>	<b>8,246.58</b>	<b>6,747.77</b>	<b>1,498.81</b>
Power Purchase / Procurement Cost	26,411.20	24,476.25	1,934.95
Interest on Consumer Security Deposits	174.75	174.75	-
Supply Margin in Retail Supply Business	37.65	37.65	-
Other Costs if any	-	-	-
<b>Supply Cost (B)</b>	<b>26,623.60</b>	<b>24,688.65</b>	<b>1,934.95</b>
<b>Aggregate Revenue Requirement (A+B)</b>	<b>34,870.18</b>	<b>31,436.42</b>	<b>3,433.76</b>
Non-Tariff Income	33.10	810.02	-776.92
<b>Net Revenue Requirement</b>	<b>34,837.08</b>	<b>30,626.40</b>	<b>4,210.68</b>
<b>Sales (MU)</b>	<b>48,822.80</b>	<b>48,822.80</b>	-
<b>ACoS (Rs./kWh)</b>	<b>7.14</b>	<b>6.27</b>	<b>0.86</b>
<b>Total Revenue</b>			
Revenue at Existing Tariffs (without considering the Government subsidy u/s 65 of the Electricity Act, 2003)	<b>25,708.48</b>	<b>25,708.48</b>	-
<b>Revenue Deficit(-)/Surplus(+)</b> at Current Tariffs	<b>-9,128.60</b>	<b>-4,917.92</b>	<b>-4,210.68</b>
Government Subsidy u/s 65 of the Electricity Act, 2003	1,397.50	8,523.91	-7,126.41
<b>Net gap - Deficit(-)/Surplus(+)</b>	<b>-7,731.10</b>	<b>3,605.99</b>	<b>-11,337.09</b>
Revenue changed through proposed tariff (incl. Cross Subsidy Surcharge & Additional Surcharge)	5,044.27	-	5,044.27
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2018-19	-	224.94	-224.94
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2019-20	-	225.50	-225.50
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2020-21	-	-	-
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2021-22	-	1,397.50	-1,397.50
<b>Net gap - Deficit(-)/Surplus(+)</b> after Tariff Hike	<b>-2,686.83</b>	<b>5,453.93</b>	<b>-8,140.76</b>

## Summary of ARR for TSNPDCL for FY 2022-23

(All figures in Rs. Crores)

Particulars	Petitioner's Claim	Objector's Assessment	Disallowance
Transmission Cost	1,005.43	1,005.43	-
SLDC Cost	13.23	13.23	-
Distribution Cost	3,601.25	2,520.88	1,080.38
PGCIL & ULDC Expenses	484.45	443.72	40.73
<b>Network and SLDC Cost (A)</b>	<b>5,104.36</b>	<b>3,983.25</b>	<b>1,121.11</b>
Power Purchase / Procurement Cost	13,003.88	11,925.95	1,077.93
Interest on Consumer Security Deposits	49.09	49.09	-
Supply Margin in Retail Supply Business	26.04	26.04	-
Other Costs if any	-	-	-
<b>Supply Cost (B)</b>	<b>13,079.01</b>	<b>12,001.08</b>	<b>1,077.93</b>
<b>Aggregate Revenue Requirement (A+B)</b>	<b>18,183.37</b>	<b>15,984.33</b>	<b>2,199.04</b>
Non-Tariff Income	29.41	567.18	-537.77
<b>Net Revenue Requirement</b>	<b>18,153.96</b>	<b>15,417.15</b>	<b>2,736.81</b>
<b>Sales (MU)</b>	<b>25,904.66</b>	<b>25,904.66</b>	-
<b>ACoS (Rs./kWh)</b>	<b>7.01</b>	<b>5.95</b>	<b>1.06</b>
<b>Total Revenue</b>			
Revenue at Existing Tariffs (without considering the Government subsidy u/s 65 of the Electricity Act, 2003)	10,702.76	10,702.76	-
<b>Revenue Deficit(-)/Surplus(+)</b> at Current Tariffs	<b>-7,451.20</b>	<b>-4,714.39</b>	-2,736.81
Government Subsidy u/s 65 of the Electricity Act, 2003	4,254.15	5,319.30	-1,065.15
<b>Net gap – Deficit(-)/Surplus(+)</b>	<b>-3,197.05</b>	<b>604.91</b>	<b>-3,801.96</b>
Revenue changed through proposed tariff (incl. Cross Subsidy Surcharge & Additional Surcharge)	1,786.63	-	1,786.63
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2018-19	-	684.75	-684.75
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2019-20	-	684.75	-684.75
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2020-21	-	-	-
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2021-22	-	4,254.15	-4,254.15
<b>Net gap – Deficit(-)/Surplus(+)</b> after Tariff Hike	<b>-1,410.42</b>	<b>6,228.56</b>	<b>-7,638.98</b>

## Summary of ARR for Telangana State for FY 2022-23

(All figures in Rs. Crores)

Particulars	Petitioner's Claim	Objector's Assessment	Disallowance
Transmission Cost	3,389.07	3,389.07	-
SLDC Cost	44.90	44.90	-
Distribution Cost	8,271.97	5,790.38	2,481.59
PGCIL & ULDC Expenses	1,645.00	1,506.67	138.33
<b>Network and SLDC Cost (A)</b>	<b>13,350.94</b>	<b>10,731.02</b>	<b>2,619.92</b>
Power Purchase / Procurement Cost	39,415.08	36,402.20	3,012.88
Interest on Consumer Security Deposits	223.84		-
Supply Margin in Retail Supply Business	63.69		-
Other Costs if any	-		-
<b>Supply Cost (B)</b>	<b>39,702.61</b>	<b>36,402.20</b>	<b>3,012.88</b>
<b>Aggregate Revenue Requirement (A+B)</b>	<b>53,053.55</b>	<b>47,133.22</b>	<b>5,632.80</b>
Non-Tariff Income	62.51	1,377.20	-1,314.69
<b>Net Revenue Requirement</b>	<b>52,991.04</b>	<b>45,756.02</b>	<b>6,947.49</b>
<b>Sales (MU)</b>	<b>74,727.46</b>	<b>74,727.46</b>	
<b>ACoS (Rs./kWh)</b>	<b>7.09</b>	<b>6.12</b>	<b>0.97</b>
<b>Total Revenue</b>			
Revenue at Existing Tariffs (without considering the Government subsidy u/s 65 of the Electricity Act, 2003)	36,411.24	36,411.24	-
<b>Revenue Deficit(-)/Surplus(+)</b> at Current Tariffs	<b>-16,579.80</b>	<b>-9,632.32</b>	<b>-6,947.49</b>
Government Subsidy u/s 65 of the Electricity Act, 2003	5,651.65	13,843.21	-8,191.56
<b>Net gap – Deficit(-)/Surplus(+)</b>	<b>-10,928.15</b>	<b>4,210.89</b>	<b>-15,139.05</b>
Revenue changed through proposed tariff (incl. Cross Subsidy Surcharge & Additional Surcharge)	6,830.90	-	6,830.90
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2018-19	-	909.69	-909.69
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2019-20	-	910.25	-910.25
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2020-21	-	-	-
Shortfall in Government Subsidy u/s 65 of the Electricity Act, 2003 for FY 2021-22	-	5,651.65	-5,651.65
<b>Net gap – Deficit(-)/Surplus(+)</b> after Tariff Hike	<b>-4,097.25</b>	<b>11,682.48</b>	<b>-15,779.74</b>

lxxviii. From the above analysis, it is observed that instead of an ARR deficit, rather, there is an ARR Surplus. On account of the same, there arises ought to be a tariff reduction instead of the tariff hike as proposed by the discoms. It is prayed that the Hon'ble Commission may allow tariff reduction accordingly.



## 16 PROPOSED TIME OF DAY TARIFF

- lxxxix. The Petitioner has proposed to reduce the ToD incentive for off-peak hours (10 PM to 6 AM) from Rs.1/unit to Rs.0.50/unit for the applicable categories viz., HT-I Industrial, HT-II Others, HT-III Railways, Bus Stations & Airports and HT-IX EV Charging Stations. However, the Peak hours' charges are the same i.e. Rs. 1/unit. This translates into 29% hike in off-peak energy charges for HT consumers along with the proposed Tariff hike.
- lxxx. Furthermore, the Petitioners have failed to provide the load demand curves, scenario analysis, etc. for the proposed ToD Tariff mechanism.
- lxxxii. ToD cannot be a mechanism for the tariff hike. ToD is meant for Demand side management. Thus, it is prayed that the ToD Tariff proposed by the Petitioners may be disallowed.

## 17 PROPOSED CROSS SUBSIDY SURCHARGE

- lxxxii. The Petitioners have proposed the following Cross Subsidy Surcharge for FY 2022-23:

HT - Industry	Cross Subsidy Surcharge (Rs./kWh)	
	TSSPDCL	TSNPDCL
11 kV	1.91	1.03
33 kV	1.70	1.84
132 kV	1.55	1.47

- lxxxiii. As can be inferred from the table above, the Petitioner has proposed the CSS for HT consumers (esp. HT Industry- 33kV and 132 kV) above the maximum allowable limit as per the Tariff policy, as shown below:

(All figures in Rs./kWh)

Discom	ACoS as per Objector's Assessment	Max Tariff as per NTP 2016 ( $\pm 20\%$ )	Max CSS allowable (20% of Max Tariff)
TSSPDCL	6.27	7.53	1.51
TSNPDCL	5.95	7.14	1.43

- lxxxiv. The Objector prays that the Hon'ble Commission may rationalize the tariffs for industrial consumers and consequently, the cross-subsidy surcharge in

adherence to the mandate of the National Tariff Policy, 2016. The relevant extract of the National Tariff Policy, 2016 is reproduced below:

*"8.3 Tariff design: Linkage of tariffs to cost of service*

...

***2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within  $\pm 20\%$  of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.***

...

*Surcharge formula:*

...

***Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access."***  
***(Emphasis supplied)***

## **18 PARALLEL OPERATION CHARGES/GRID SUPPORT CHARGES**

lxxxv. The Petitioners in their instant Petitions have sought the introduction of Parallel Operation Charges/Grid Support Charges (GSC). The relevant extract of the Petition is reproduced below:

*"Proposal for Determination of Grid Support Charges for Telangana – FY 2022-23*

*Based on the above submissions, the licensee feels that there is a need to levy Grid support charges on the Captive consumers in its area, for the benefits they are availing during its parallel operation with the licensee grid network. For the time being, the licensee humbly requests to the Hon'ble Commission to consider the methodology adopted in the APERC order 08.02.2002 and subsequently upheld by Supreme Court via judgment dated 29.11.2019 as below "Persons operating Captive Power Plants (CPPs) in parallel with T.S. Grid have to pay 'Grid Support Charges' for FY 2022-23 on the difference between the capacity of CPP in kVA and the contracted Maximum Demand in kVA with Licensee and all other sources of supply, at a rate equal to 50% of the prevailing demand charge for HT Consumers. In case of CPPs exporting firm power to TSTRANSCO, the capacity, which is dedicated to such export, will also be additionally subtracted from the CPP capacity."*

- lxxxvi. The Hon'ble APERC, vide its Order dt. 08.02.2002, had approved the levy of GSC @ 50% of the applicable Demand Charges on the differential between the CPP capacity in KVA and the aggregate of the Contracted Minimum Demand (CMD) of the Captive Power Plant (CPP), quantum of power from other sources and also committed export quantum to the Grid, if any. The prevalent Demand Charges at the time were Rs. 170/kVA/Month.
- lxxxvii. Aggrieved, the matter was taken to the High Court and consequently to the Supreme Court. The Hon'ble Supreme Court, vide its Judgement dated 29.11.2019, upheld the right of the then Hon'ble APERC to approve the levy of GSC. During the pendency of the matter before the Supreme Court, Hon'ble APERC considered the matter of GSC while approving ARRs filed by DISCOMS/TRANSCO however without recognizing any revenue from GSC in the ARRs till FY 2008-09. No orders were issued in this matter.
- lxxxviii. The Petitioners, in their instant ARR Petitions for FY 2022-23, have proposed hiked up Demand Charges of Rs. 475/kVA/Month. The Petitioners, have also proposed that GSC should be levied @ 50% of the Demand Charges by the CPPs availing parallel operations. The levy is proposed on the differential between CPP capacity in KVA and the aggregate of CMD of CPP, drawl of power from other sources and committed export quantum. At the outset, Objector submits that the method of computation of GSC proposed by the Petitioners is itself baseless and arbitrary, and the consequent rate is exorbitantly high.
- lxxxix. It is submitted that the GSC of other states such as Chhattisgarh, Gujarat and Madhya Pradesh, are in the range of Rs. 20-26.50/kVA/Month and the same have been approved only after due prudence check through third party analysis whether the Grid suffers any forbearance in providing parallel operations of CPPs.
- xc. The Objector submits that the original proposal for GSC was proposed by the Hon'ble APERC during the 1999-2002, when the Electricity Act was not in force. The Electricity Act came into force from 2003 and Section 9 of Electricity Act does not differentiate between CGP and IPP as far as grid connectivity is concerned and hence both ought to be treated equitably from the viewpoint of grid connectivity and support. Furthermore, during the time of original proposal for GSC, the generation shortfall was prevailing and the TSDISCOMS were going through occasional R&C periods and frequency fluctuations, etc. However, the Telangana Grid has since improved in Grid size, availability of power and attained stability and is one of the few Grids in the country engaged in export of power on a steady basis.
- xci. The Grid situation therefore needs to be thoroughly reviewed with reference to the fact whether the Grid suffers any forbearance in providing parallel

operations of CPPs. Such a review/study ought to be conducted on an arms-length basis by an independent third party, taking into account the actual power harmonics, fault currents or load throwbacks as claimed by TSDISCOMS and also to arrive at a justifiable and reasonable charge based on actual cost / damage suffered by the Grid, if any, in providing such parallel operations to CPPs.

- xcii. In light of the same, it is prayed that the Hon'ble Commission may appoint an independent third party for conducting a thorough study of the grid for the necessity, evaluation and derivation of a reasonable rate towards Grid Support Charges. Till such independent study is conducted and results discussed with stakeholders through a consultation process, the GSC may not be imposed.

## **19 FACILITATION CHARGES FOR OPEN ACCESS CONSUMERS**

- xciii. The Petitioners have also proposed 'Facilitation Charges for Open Access Consumers' under their 'Other Tariff proposals':

*"Further, the cost implications on the Discom for facilitating Open Access to the Consumer/Generator are presented below:*

- *More no. of skilled officials are involved at each stage of processing of open access facility to the Consumer/Generator like processing of application, study of network to provide feasibility, installation and commissioning of 3no.s ABT meters and metering equipments, its NABL and Periodical testing and an exclusive team of Engineers for analysis of ABT Meter dumps and Deviation settlements of energy of Open Access consumers/Generators. This will cause additional man hours involved in granting open access facility which in turn imposes the additional cost to the DISCOM.*
- *Along with the additional cost on employee, it also imposes material cost like ABT meters special testing kits, MRIs and Laptops to collect the data from ABT meters, Computer systems at various stages of work, necessary infrastructure for the working of employees etc and its maintenance which impose O&M cost to the DISCOM.*
- *Cost implication on providing of dedicated Server, development of software applications for deviation settlements of energy and demand of the open access consumers/Generators as per the CERC Deviation settlement mechanism Regulations 2019 and its subsequent amendments, GPRS communication charges for collecting data from the meters, meter dump conversion tools of various makes like L&T, Secure and Elster to convert raw dump data from meters for processing of deviation settlements and for analyzing of meters, etc.,*

*From the above it is clear that, the consumer is getting benefit from the Open Access facility by getting cheaper power whereas the Discom is incurring excessive burden in the form of O&M cost i.e., exclusive team of employees cost, additional infrastructure cost, etc,. Further, the Open Access users are paying Rs.5000/- per application as operating charges to SLDC only for monitoring their schedules of drawl/injection where as the Discoms are not collecting any charges from the Open Access users even though lot of man hours are involved in granting Open Access, monitoring the injections/drawls of energy and working out the deviation settlements at various stages to avail Open access facility by the Open Access users.*

*In view of the above, the licensee proposes to introduce the "Facilitation Charges" of Rs. 20,000/- per month or part thereof (at a rate of 5% increment every year) for providing open access facility under the head "Other Charges in HT" in order to meet the cost being incurred in providing the Open Access facility to the Open Access users."*

- xciv. The Objector submits that the proposal for levy of any charges ought to be in accordance to the cost causation principle. The Objector provides the following comments on the apparent cost implications claimed by the Petitioners for levy of Open Access Facilitation Charges:

S. No.	Cost Implication as per Petitioner	Objector Comment
1.	Increase in Employee Cost	1. Employee cost forms a part of the O&M expenses for the Distribution Business. 2. Any increase in the employee cost/additional O&M cost has to be claimed as a part of the ARR of Distribution Business and cannot be claimed in the form of separate charges directly in the Retail Supply Business Tariff Petition.
2.	Additional O&M Cost (Material Cost)	
3.	Cost implication on providing of dedicated Server, development of software applications for deviation settlements of energy and demand of the open access consumers/Generators as per the CERC Deviation settlement mechanism Regulations 2019	Such cost implication claimed by the Petitioner is apparently covered entirely under SAMAST (Scheduling, Metering, Accounting and Settlement of Transactions in Electricity) through the Power System Development Fund. The relevant document has been attached as <b>Annexure-I</b> . Point No. 8 on Page 12 of this document may be referred to in this regard.

- xcv. In light of the same, the Objector prays that the Hon'ble Commission may disallow the levy of 'Facilitation Charges on Open Access Consumers'.

## **20 PRAYERS**

The Objector most respectfully prays that this Hon'ble Commission may be pleased to:

- A. Consider the above Objection Statement filed by the Objector;
- B. Disallow the power purchase cost as per the Objector's Assessment and in cases where the purchase has been projected at exorbitantly high price not relatable to the incumbent market situations;
- C. Reprimand the AP Discoms and issue a directive of disallowance or withholding of 30% of Distribution Cost claimed by the Petitioners on account of non-adherence to MYT Regulations and past directives of the Hon'ble Commission;
- D. Allow PGCIL and UDLC Charges as per Objector's Assessment;
- E. Align the Non-Tariff incomes strictly in line with the Audited Accounts and reduce it from the ARR being approved;
- F. Adjust the subsidy shortfall from the Govt. of Telangana as per Objector's Assessment for FY 2018-19 to FY 2021-22;
- G. Adjust the subsidy required from the Govt. of Telangana based on estimated consumption levels of subsidised categories such that the cost of supplying subsidised power to select consumer categories is not borne by the other non-subsidised consumers in terms of adjustment of the revenue gap of FY 2022-23;
- H. Approve the ARR by considering the total subsidy as prayed and assessed by the Objector in the detailed Objections Statement;
- I. Rationalize the Tariff and Cross Subsidy to reflect a tariff reduction instead of a tariff hike as per the Cost of Supply, as proposed in the Objections Statement;
- J. Disallow the proposed revenue from proposed tariffs and proposed additional surcharge as claimed by the Petitioner;
- K. It is requested that the Hon'ble Commission may disallow any proposed modification in TOD;
- L. Allow Cross Subsidy Surcharge as per the mandates of the National Tariff Policy 2016;
- M. It is prayed that the Hon'ble Commission may appoint an independent third party for conducting a thorough study of the grid for the necessity, evaluation and derivation of a reasonable rate towards Parallel Operation Charges/Grid Support Charges (GSC). Till such independent study is

conducted and results discussed with stakeholders through a consultation process, the GSC may not be imposed;

- N. Objector prays that the Hon'ble Commission may disallow the levy of 'Facilitation Charges on Open Access Consumers';
- O. Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of justice;
- P. Permit the Objector to participate and make additional submission and produce additional details and documentations during the course of the online Public Hearings in the interest of justice and equity.



**Date: 28<sup>th</sup> January 2022**

**Place: HYDERABAD**

**Gopinath Injeti**

**CEO, SICMA  
(OBJECTOR)**