SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

From,
The Chief General Manager,
(IPC&RAC),
TSSPDCL,
Corporate Office,
Mint Compound, Hyderabad.

To,
The Secretary
TESRC,
#11-4-660,5th Floor,
Singareni Bhavan,
Red Hills, Hyderabad.

Lr. No.CGM(IPC&RAC)/SE(RAC)/DE(RAC)/D.No. 135 /17, Dated: 27-09-2017

Sir,

Sub:- Replies to the objection raised by the objector on Cross Subsidy Surcharge

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The reply to the objection/ suggestion received from the Open Access Users
Association in the matter of determination of Cross Subsidy Surcharge to be levied on the
Open Access consumers for FY 2005-06 to FY 2014-15 is submitted below:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Summary of Objections / Suggestions</th>
<th>Response of the Licensee</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Joy Acharyee, Open Acess Users Association- Co-ordinator, 2nd Floor, D21, Corporate Park, Sector – 21, Dwaraka, New Delhi – 110075, Tel no.:+91 1165651994, Email id : <a href="mailto:coordinator@openaccessforum.org">coordinator@openaccessforum.org</a>.</td>
<td>The Hon’ble Supreme Court by its order dated 31.03.2016 dismissed the civil appeal filed by the commission and ordered to follow the APTEL order where in it was directed the Commission to compute the Cross Subsidy Surcharge, which consumers are required to pay for use of open access in accordance with the Surcharge Formula specified in para 8.5 of the National Tariff Policy, 2006 for FY 2006-07 and for subsequent years as per the APTEL order.</td>
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A detailed calculation sheet showing the calculation as per the NTP formula for all
the years need to be provided along with the petition. Further, if the CSS is more than
20% in the opening year, it has to be brought down linearly to 20% by the year
2010-11 and its compliance also has to be demonstrated in the calculation in line with
APTEL orders.

We thus request to provide the required
detailed calculation to compute Cross
Subsidy Surcharge and that is proposed to be levied. This act will help the
stakeholders to understand it in a lucid
manner allowing us to present our views/ comments/ suggestions on the matter under
discussion.

The required additional information viz.,
category-wise and voltage wise actual sales,
category-wise and voltage wise revenue from
sale of power, Source wise and generator wise
power purchase actual for all the years from
FY 2005-06 to FY 2014-15 are submitted to
the Hon’ble Commission and requested the
Hon’ble Commission to determine the CSS as
per the NTP formula.

Yours faithfully,

Chief General Manager (IPC&RAC)