

**BEFORE THE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

At its office at Vidyut Niyamtran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

FILING NO._____/24

CASE NO._____/24

In the matter of:

Filing of Corrigendum to the petition for determination of ARR for Retail Supply Business for 5th Control Period (i.e., FY 2024-25 to FY 2028-29), FPT and CSS proposals for FY 2024-25 as per the directions of Hon'ble Commission in its letter dated: 24.09.2024 in OP No. 16 of 2024 in accordance with the provisions of TGERC MYT Regulation 2 of 2023

In the matter of

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

This application is filed for corrigendum to the petition for determination of ARR for Retail Supply Business for 5th Control Period (i.e., FY 2024-25 to FY 2028-29), FPT and CSS proposals for FY 2024-25 The Licensee Respectfully submits hereunder

1. The TGSPDCL has filed a petition before Hon'ble Commission on 18-09-2024 in the matter of determination of ARR for Retail Supply Business for 5th Control Period (i.e., FY 2024-25 to FY 2028-29), FPT and CSS proposals for FY 2024-25
2. It is to submit that the licensee has revised the computation of Retail supply Business ARR by apportioning costs between Wheeling Business and Retail Supply Business as per clause 77 of MYT Regulation 2 of 2023
3. The licensee has also revised CSS charges because of change in wheeling charges
4. The licensee has also revised Revenue gap at current tariff, Revenue gap at proposed tariff due to change in ARR and Revenue from CSS

5. The licensee has also revised category wise CoS due to change in ARR
6. Hence the licensee requests the Hon'ble Commission to substitute the below clauses in place of clauses of the original petition filed on 18-09-2024.

4.4 Distribution Cost

The details of the Distribution cost projections from FY 2024-25 to FY 2028-29 are shown below.

Figures in Rs. crores

| Distribution Cost Breakup Particulars | FY 2024-25 | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 |
|---|--------------|--------------|--------------|--------------|---------------|
| Operation & Maintenance Expenses | 3,521 | 3,795 | 4,773 | 5,145 | 5,542 |
| Depreciation | 878 | 1,085 | 1,373 | 1,712 | 2,079 |
| Interest and finance charges on Loan | 481 | 639 | 875 | 1,145 | 1,419 |
| Interest on working capital | 122 | 138 | 175 | 201 | 229 |
| Return on Equity | 238 | 361 | 527 | 724 | 937 |
| ARR | 5,240 | 6,017 | 7,723 | 8,928 | 10,207 |
| Less: Revenue (NTI, OA, other business) | 139 | 142 | 145 | 148 | 151 |
| Impact of True up/ True Down | - | - | - | - | - |
| Net Distribution Cost | 5,100 | 5,875 | 7,578 | 8,780 | 10,056 |

4.7 Aggregate Revenue Requirement

The Aggregate Revenue Requirement (ARR) FY 2023-24 (actuals) and projections from FY 2024-25 to FY 2028-29 are as shown below:

figures in Rs. Crores

| Expenditure Item | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---------------------|---------|-------------|---------|---------|---------|---------|
| | Actuals | Projections | | | | |
| Power Purchase cost | 33,395 | 31,023 | 37,521 | 41,029 | 46,192 | 50,784 |
| Transmission Cost | 2,670 | 2,095 | 2,829 | 3,146 | 3,534 | 3,875 |
| PGCIL& ULDC Cost | 1,714 | 1,624 | 1,705 | 1,790 | 1,880 | 1,974 |
| SLDC Charges | 33 | 59 | 63 | 78 | 80 | 83 |

| | | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Distribution Cost* | 5,168 | 5,100 | 5,875 | 7,578 | 8,780 | 10,056 |
| Operation and Maintenance charges | - | 391 | 419 | 526 | 565 | 608 |
| Depreciation | - | 98 | 121 | 153 | 190 | 231 |
| Interest and finance charges on loan | - | 53 | 71 | 97 | 127 | 158 |
| Interest on working capital | - | - | - | - | - | - |
| Return on Equity | - | 26 | 40 | 59 | 81 | 104 |
| Interest on Consumer Security Deposit | 312 | 324 | 333 | 343 | 354 | 364 |
| Supply Margin | 43 | 0 | 0 | 0 | 0 | 0 |
| Other Costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Aggregate Revenue Requirement | 43,336 | 40,793 | 48,978 | 54,800 | 61,784 | 68,237 |

Note: Distribution cost for FY 2023-24 are approved numbers from the Tariff Order of FY 2024

5.3.2 For Revenue Projections from CSS & AS

For FY 2024-25 with Current Tariffs, the Licensee has projected open access sales of 406.55 MUs. Since 6 months of FY 2024-25 has already elapsed, therefore for first 6 months, Cross Subsidy Surcharge tariffs have been considered as per FY 2023-24 Tariff Order and for the remaining 6 months, Cross Subsidy Surcharge tariffs have been considered as estimated for FY 2024-25.

The Revenue from Cross Subsidy Surcharge and Additional Surcharge for FY2024-25 have been summarized below:

| HT Category | Voltage level | Open Access Sales – H1 | CSS Rs/unit for H1 sales as per FY 24 Tariff Order | Open Access Sales – H2 | CSS Rs/unit for H2 sales estimated for FY 25 | Revenue (Rs Cr) |
|-------------|---------------|------------------------|--|------------------------|--|-----------------|
| 1 | 11kV | - | 2.03 | - | 1.95 | - |
| | 33kV | 121.23 | 1.79 | 44.06 | 1.68 | 29.12 |
| | 132kV | 203.72 | 1.59 | 12.23 | 1.58 | 34.32 |
| 2 | 11kV | - | 2.45 | - | 2.19 | - |
| | 33kV | 9.89 | 2.04 | 15.41 | 1.96 | 5.04 |
| | 132kV | - | 1.77 | - | 1.85 | - |

| HT Category | Voltage level | Open Access Sales – H1 | CSS Rs/unit for H1 sales as per FY 24 Tariff Order | Open Access Sales – H2 | CSS Rs/unit for H2 sales estimated for FY 25 | Revenue (Rs Cr) |
|-------------|---------------|------------------------|--|------------------------|--|-----------------|
| Total | | 334.84 | - | 71.71 | - | 68.47 |

Revenue from Additional Surcharge for FY 2024-25 is derived by considering the sales as 203.27 MUs (assuming 50% sales would be from green energy open access consumers which are exempted from paying additional surcharge) and considering the additional surcharge rate of Rs 1.40/unit as per approved order for H1 for FY 2024-25 and additional surcharge rate of Rs 1.60/unit (as per filings for H2 for FY 2024-25). The details for the same have been summarized below:

| FY 25 | Open Access Sales (MUs) | Additional Surcharge Rate (Rs/unit) | Revenue from Additional Surcharge(Rs Cr) |
|-------|-------------------------|-------------------------------------|--|
| H1 | 167.42 | 1.40 | 23.44 |
| H2 | 35.85 | 1.60 | 5.74 |
| Total | 203.27 | - | 29.18 |

5.4 Revenue Gap with Current Tariffs

The Revenue Gap with actual ARR for FY 2023-24 & projected ARR for FY 2024-25 at current tariffs is as shown below:

| Actual Revenue Deficit/Surplus (Rs. in crore) | 2023-24 |
|---|----------------|
| Aggregate Revenue Requirement | 43,336 |
| Revenue from Current Tariffs (Incl NTI) | 31,804 |
| Revenue from Cross Subsidy Surcharge | 85 |
| Revenue from Additional Surcharge | 36 |
| Revenue Deficit(-)/Surplus(+) at Current Tariffs | -11,410 |
| Subsidy | 1,350 |

| Actual Revenue Deficit/Surplus (Rs. in crore) | 2023-24 |
|--|----------------|
| Net gap – Deficit(-)/Surplus(+) | -10,060 |

| Projected Revenue Deficit/Surplus (Rs. in crore) | 2024-25 |
|---|----------------|
| Aggregate Revenue Requirement for FY 2024-25 | 40,793 |
| Revenue from Current Tariffs | 34,657 |
| Non-Tariff Income | 80 |
| Revenue from Cross Subsidy Surcharge | 68 |
| Revenue from Additional Surcharge | 29 |
| Total projected revenue for FY 2024-25 | 34,834 |
| Revenue Deficit(-)/Surplus(+) at Current Tariffs | -5,959 |

6.3 CoS Results

6.3.1 The following tabulation summarizes the results of the process:

- TGSPDCL handled 60,148 MUs excluding transmission losses, which consist of sale of 55,359 MUs to its customers and losses of 4,789 MUs.
- Non Coincident Peak demand required by TGSPDCL is 10,609 MW, which consist of 9,107 MW to serve the customers, and 1,501 MW of losses in the system.
- The average unit cost of supplying the customers of TGSPDCL is estimated at Rs 7.37/kWh.

Below Table shows the allocated expenditure for each category of service and Cost of Service for each category.

| Category Name | Total Costs (Rs. Crs) | Total Sales (MU) | Cost of Supply (INR / kWh) |
|--|--------------------------|---------------------|-----------------------------------|
| LT | | | |
| Domestic | 9,502 | 11,474 | 8.28 |
| Commercial | 3,576 | 4,148 | 8.62 |
| Industry | 915 | 1,036 | 8.84 |
| Cottage Industry | 8 | 10 | 8.87 |
| Agriculture | 11,123 | 12,467 | 8.92 |
| Street Lighting & PWS | 446 | 507 | 8.81 |
| Others (General & Temporary) | 219 | 259 | 8.43 |
| EVs | 2 | 3 | 7.29 |
| Total LT | 25,791 | 29,903 | 8.62 |
| HT 11 kV | | | |
| Industry General | 3,154 | 4,687 | 6.73 |
| Ferro Alloy Units | 0.2 | 0.3 | 6.72 |
| Others | 1,640 | 2,551 | 6.43 |
| Airports, Bus Stations and Railways Stations | 3 | 5 | 6.87 |
| Lift Irrigation & Agriculture | 111 | 167 | 6.66 |
| HT VI: Townships & Residential Colonies | 167 | 257 | 6.51 |
| Temporary & EVs | 153 | 236 | 6.47 |
| Wholly Religious Places | 0.2 | 0.3 | 5.50 |
| Total HT 11 kV | 5,229 | 7,904 | 6.62 |
| HT (33kV) | | | |
| Industry General | 3,874 | 6,874 | 5.64 |
| Ferro Alloy Units | 2 | - | - |
| Others | 1,061 | 1,830 | 5.80 |
| Airports, Bus Stations and Railways Stations | - | - | - |
| Lift Irrigation & Agriculture | 186 | 303 | 6.14 |

| Category Name | Total Costs (Rs. Crs) | Total Sales (MU) | Cost of Supply (INR / kWh) |
|--|--------------------------|---------------------|-----------------------------------|
| Railway Traction - Cat V (33KV) | 5 | 10 | 5.40 |
| HT VI: Townships & Residential Colonies | 101 | 161 | 6.27 |
| HT VII: Temporary | 20 | 43 | 4.65 |
| Wholly Religious Places | 2 | 4 | 5.08 |
| Total HT 33 kV | 5,251 | 9,224 | 5.69 |
| EHT(132 kV) | | | |
| Industry General | 2,900 | 5,652 | 5.13 |
| Ferro Alloy Units | 85 | 156 | 5.44 |
| Others | 71 | 129 | 5.55 |
| Airports, Bus Stations and Railways Stations | 45 | 88 | 5.15 |
| Lift Irrigation & Agriculture | 982 | 1,494 | 6.58 |
| Railway Traction | 367 | 676 | 5.43 |
| HMR Traction | 71 | 134 | 5.34 |
| Total 132 kV | 4,523 | 8,328 | 5.43 |
| Total HT | 15,003 | 25,456 | 5.89 |
| Total LT | 25,791 | 29,903 | 8.62 |
| Total | 40,793 | 55,359 | 7.37 |

9.2.2 The Cross-Subsidy Surcharge as computed by the licensee for each category is as shown below:

| Categories | Average Realization at proposed tariff (INR/unit) | Weighted PP (INR/unit) | Aggregate T&D (INR/unit) | Applicable Loss% | Cross Subsidy Surcharge (INR/unit) | 20% Limit on average Realization | Cross Subsidy Surcharge (INR/unit) |
|---|---|------------------------|--------------------------|------------------|------------------------------------|----------------------------------|------------------------------------|
| | (a) | (b) | (c) | (d) | (e) = max (0, a-b/(1-d) +c) | (f) = 0.2*a | (g)=min(e,f) |
| HT Category at 11kV | | | | | | | |
| HT-I Industry Segregated (Poultry Included) | 9.77 | 5.25 | 1.25 | 9.42% | 2.72 | 1.95 | 1.95 |
| HT-II - Others | 10.94 | 5.25 | 1.25 | 9.42% | 3.89 | 2.19 | 2.19 |
| HT-III Airports, Railways and Bustations | 10.04 | 5.25 | 1.25 | 9.42% | 2.99 | 2.01 | 2.01 |
| HT -IV A Lift Irrigation and agriculture | 11.25 | 5.25 | 1.25 | 9.42% | 4.20 | 2.25 | 2.25 |
| HT- IV B - CP Water Supply Schemes | 6.12 | 5.25 | 1.25 | 9.42% | - | 1.22 | - |
| HT-VI Townships and Residential Colonies | 8.34 | 5.25 | 1.25 | 9.42% | 1.29 | 1.67 | 1.29 |
| HT Green Power | - | 5.25 | 1.25 | 9.42% | - | - | - |
| HT -Temporary | 14.32 | 5.25 | 1.25 | 9.42% | 7.27 | 2.86 | 2.86 |

| Categories | Average Realization at proposed tariff (INR/unit) | Weighted PP (INR/unit) | Aggregate T&D (INR/unit) | Applicable Loss% | Cross Subsidy Surcharge (INR/unit) | 20% Limit on average Realization | Cross Subsidy Surcharge (INR/unit) |
|---|---|------------------------|--------------------------|------------------|------------------------------------|----------------------------------|------------------------------------|
| | (a) | (b) | (c) | (d) | (e) = max (0, a-b/(1-d) +c) | (f) = 0.2*a | (g)=min(e,f) |
| Supply | | | | | | | |
| HT – EV | 6.69 | 5.25 | 1.25 | 9.42% | - | 1.34 | - |
| HT Category at 33 kV | | | | | | | |
| HT-I Industry Segregated (Poultry Included) | 8.41 | 5.25 | 0.70 | 5.58% | 2.15 | 1.68 | 1.68 |
| HT-I (B) Ferro-Alloys | - | 5.25 | 0.70 | 5.58% | - | - | - |
| HT-II - Others | 9.79 | 5.25 | 0.70 | 5.58% | 3.53 | 1.96 | 1.96 |
| HT-III Airports, Railways and Bustations | - | 5.25 | 0.70 | 5.58% | - | - | - |
| HT -IV A Lift Irrigation and agriculture | 8.14 | 5.25 | 0.70 | 5.58% | 1.87 | 1.63 | 1.63 |
| HT- IV B - CP Water Supply Schemes | 6.10 | 5.25 | 0.70 | 5.58% | - | 1.22 | - |
| HT-VI Townships and Residential Colonies | 8.35 | 5.25 | 0.70 | 5.58% | 2.09 | 1.67 | 1.67 |
| HT Green Power | - | 5.25 | 0.70 | 5.58% | - | - | - |
| HT VII - Temporary Supply | 14.04 | 5.25 | 0.70 | 5.58% | 7.78 | 2.81 | 2.81 |
| HT VIII – RESCOs | - | 5.25 | 0.70 | 5.58% | - | - | - |
| HT Category at 132 kV | | | | | | | |

| Categories | Average Realization at proposed tariff (INR/unit) | Weighted PP (INR/unit) | Aggregate T&D (INR/unit) | Applicable Loss% | Cross Subsidy Surcharge (INR/unit) | 20% Limit on average Realization | Cross Subsidy Surcharge (INR/unit) |
|--|---|------------------------|--------------------------|------------------|------------------------------------|----------------------------------|------------------------------------|
| | (a) | (b) | (c) | (d) | (e) = max (0, a-b/(1-d) +c) | (f) = 0.2*a | (g)=min(e,f) |
| HT-I Industry Segregated | 7.88 | 5.25 | 0.15 | 2.48% | 2.35 | 1.58 | 1.58 |
| HT-I (B) Ferro-Alloys | 9.17 | 5.25 | 0.15 | 2.48% | 3.63 | 1.83 | 1.83 |
| HT-II - Others | 9.25 | 5.25 | 0.15 | 2.48% | 3.71 | 1.85 | 1.85 |
| HT-III Airports, Railways and Bus stations | 8.72 | 5.25 | 0.15 | 2.48% | 3.19 | 1.74 | 1.74 |
| HT -IV A Lift Irrigation and agriculture | 8.76 | 5.25 | 0.15 | 2.48% | 3.23 | 1.75 | 1.75 |
| HT- IV B - CP Water Supply Schemes | 6.10 | 5.25 | 0.15 | 2.48% | 0.56 | 1.22 | 0.56 |
| HT-V Railway Traction | 6.49 | 5.25 | 0.15 | 2.48% | 0.95 | 1.30 | 0.95 |
| HT-VI Townships and Residential Colonies | - | 5.25 | 0.15 | 2.48% | - | - | - |
| HT- Green Power | - | 5.25 | 0.15 | 2.48% | - | - | - |
| HT - Temporary Supply | - | 5.25 | 0.15 | 2.48% | - | - | - |
| HT – RESCOs | - | 5.25 | 0.15 | 2.48% | - | - | - |

11.3 Revenue and revenue gap Projections with Proposed Tariff

The expected incremental revenue through proposed tariffs is as follows:

Rs. in crore

| Revenue Requirement Item | 2024-25 |
|---|---------------|
| Aggregate Revenue Requirement for FY 2024-25 | 40,793 |
| Revenue from Current Tariffs | 34,657 |
| Non-Tariff Income | 80 |
| Revenue from CSS & AS | 98 |
| Revenue Deficit (-) / Surplus (+) at Current Tariff | -5,959 |
| Additional Revenue through Proposed Tariff (<i>considering proposed tariff for 6 months from October-24 to March-25</i>) | 1,028 |
| Revenue Deficit (-) / Surplus (+) at proposed Tariff | -4,931 |

The licensee requests the Hon'ble Commission to request the Government of Telangana to provide subsidy to meet the proposed revenue gap of INR 4,931 Cr. for FY 2024-25

7. It is, therefore, prayed this Hon'ble Commission and pleased to accord approval to the licensee's proposal of modified computations as mentioned above and pass such orders as the Hon'ble Commission may deem fit and proper.



Petitioner

CHIEF ENGINEER
(RAC), TGSPDCL,
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

Place: Hyderabad

Dated: 27.09.2024

BEFORE THE TELANGANA ELECTRICITY REGULATORY COMMISSION

At its office at Vidyut Niyamtran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500045

FILING NO._____/24

CASE NO._____/24

In the matter of

Filing of Corrigendum to the petition for determination of ARR for Retail Supply Business for 5th Control Period (i.e., FY 2024-25 to FY 2028-29), FPT and CSS proposals for FY 2024-25 as per the directions of Hon'ble Commission in OP No. 16 of 2024 in accordance with the provisions of TGERC MYT Regulation 2 of 2023

In the matter of

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING PETITION.

I, Chilukamari Chakrapani, S/o Narasaiah, aged 56 years, Occupation: Chief Engineer (RAC), TGSPDCL, Hyderabad, R/o Hyderabad do solemnly affirm and say as follows:

- 1) I am Chief Engineer (RAC)/TGSPDCL, I am competent and duly authorized by TGSPDCL to affirm, swear, execute and file this petition.
- 2) I have read and understood the contents of the accompanying filing of corrigendum to the petition for determination of ARR for Retail Supply Business for 5th Control Period (i.e., FY 2024-25 to FY 2028-29), FPT and CSS proposals for FY 2024-25. The statements made in paragraphs of accompanying application now shown to me are true to my knowledge derived from the official records made available to me

and are based on information and advice received which I believe to be true and correct.


**CHIEF ENGINEER
(RAC), TGSPDCL,
DEPONENT
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.**

VERIFICATION.

The above named Deponent solemnly affirm at Hyderabad on this 27th day of September, 2024 that the contents of the above Affidavit are true to my knowledge no part of it is false and nothing material has been concealed there from.

v. Anil Kumar.
Solemnly affirmed and signed before me

**COMPANY SECRETARY
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad-500 004.**


DEPONENT

**CHIEF ENGINEER
(RAC), TGSPDCL,
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.**