



Southern Power Distribution Company of Telangana Limited

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063

Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.org

From

Chief Engineer (RAC),
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad – 500 063.

To

The Secretary,
Vidyut Nyantran Bhavan,
G.T.S.Colony,
Kalyan Nagar,
Hyderabad – 500 045.

Lr. No.CE(RAC)/SE(RAC)/DE(RAC)/F.No.DB/D.No. 668 /24, Dt: 23-12-2024.

Sir,

Sub: -TGSPDCL – RAC - End-of-Control Period Review Petition for Distribution Business for 4th Control Period (FY 2019-20 to 2023-24) – Submitted - Reg.


Ref: - 1. Regulation 4 of 2005 notified on 14th November 2005 adopted by TGERC vide Regulation 1 of 2014.
2. Regulation No. 2 of 2023 Notified by Hon'ble TGERC vide No.TGERC/849/2023, Dated: 30.12.2023.

* * *

The End-of-Control Period Review Petition for Distribution Business for 4th Control Period (FY 2019-20 to 2023-24) in compliance with the Regulation 4 of 2005 as adopted by the TGERC in Regulation No. 1 of 2014 and Regulation No. 2 of 2023 issued by the Hon'ble TGERC above is herewith submitted by the Licensee with a request to place the same before the Hon'ble Commission for approval please.

Encl: Petition in 6 sets

Yours faithfully


Chief Engineer (RAC)
TGSPDCL, Gr. Hyderabad.

✓
Stock File.


TGERC
Vidyut Nyantran Bhavan, GTS Colony,
Hyderabad-500045.

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(Distribution & Retail Supply Licensee)



Filing of End-of-Control Period Review for Distribution Business for 4th Control Period (FY 2019-20 to 2023-24)

December 23, 2024

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY
REGULATORY COMMISSION**

At Its Office at Vidyut Niyamtran Bhavan, G.T.S. Colony, Kalyan Nagar,
Hyderabad – 500 045

FILING NO. _____/2024

CASE NO. _____/2024

In the matter of:

Filing of End-of-Control-Period Review Petition for 4th Control Period i.e., from FYs 2019-20 to 2023-24 under Multi-Year Tariff Principles in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No. 4 (Clause 22 of Part - IV) of 2005” as adopted by Telangana State Electricity Regulatory Commission vide Regulation No. 1 of 2014 by the Southern Power Distribution Company of Telangana Limited (“TGSPDCL” or ‘the company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee.

In the matter of:

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

... Applicant

The Applicant respectfully submits as under:

1. The filing is made by the **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)** under Clause 19 of Regulation No. 4 of 2005 of the Andhra Pradesh Electricity Regulatory Commission *for filing of proposals for pass-through as well as sharing of gains/losses on variations in “uncontrollable” items of ARR and “controllable” items of the Annual Performance Review petitions filed as per Clause No. 21 (Part – IV) for FYs 2019-20 to 2023-24 in compliance to the directives issued by the Hon’ble TGERC in the Wheeling Tariff Order dated 29.04.2020 for Distribution Business for 4th Control Period in accordance with Clause 10 of Regulation No.4 of 2005 as*

adopted by Telangana State Regulatory Commission through its **Regulation No. 1 of 2014**.

2. The Licensee hereby submits the summary of True-up / True-down variation as per the Orders issued by the Hon'ble TGERC as mentioned in the table below.

(Rs. in crores)

Particulars	APR for FY 2019-20 Approved in OP. No. 42 of 2021 Dt: 23.03.2023	APR for FY 2020-21 Approved in OP. No. 22 of 2022 Dt: 23.03.2023	APR for FY 2021-22 Approved in OP. No. 4 of 2023 Dt: 23.03.2023	APR for FY 2022-23 Approved in OP. No. 37 of 2023 Dt: 07.06.2024
(1)	(2)	(3)	(4)	(5)
O&M Expense	2576.12	2529.25	2307.73	3429.81
Return on Capital Employed	659.57	679.83	624.91	580.77
Depreciation	757.01	874.37	713.40	771.95
Taxes on Income	0.00	0.00	0.00	0.00
Special Appropriations	0.00	0.00	0.00	0.00
Other Expenses	0.00	0.00	0.00	0.00
Gross Distribution ARR	3992.70	4083.45	3646.04	4782.53
Less: Revenue from OA and Non-Tariff Income	426.33	453.58	535.81	500.96
Net Distribution ARR	3566.37	3629.87	3110.23	4281.57

Annual Performance Review for FY 2023-24

The Annual Performance Review for FY 2023-24 has been filed before the Hon'ble Commission on 29.11.2024 for consideration and approval as detailed below as per the Directives issued in Regulation No. 4 of 2005.

The component wise detailed analysis of Aggregate Revenue Requirement for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals incurred along with the deviations for respective heads is given in the table below:

Distribution ARR			Rs. in crore
Particulars	Approved	Actuals (CERC)	Deviations
FY2023-24			
Operation & Maintenance expenses	3629.20	3560.16	(69.04)
Return on Capital Employed	538.02	555.75	17.73
Depreciation	1158.53	842.13	(316.40)
Taxes on Income	63.47	0.00	(63.47)
Special appropriations	20.00	5.25	(14.75)
Other Expenditure	0.00	22.78	22.78
Aggregate Revenue Requirement	5409.22	4986.07	(423.15)
Less: Non-Tariff Income	585.52	456.40	(129.12)
Less: Revenue from OA	49.84	19.08	(30.76)
Net Aggregate Revenue Requirement	4773.86	4510.59	(263.27)
Revenue Gaps Calculation			
Gross Aggregate Revenue Requirement	5409.22	4986.07	(423.15)
Less: Non-Tariff Income	585.52	456.40	(129.12)
Less: Revenue from OA	49.84	19.08	(30.76)
Net Aggregate Revenue Requirement	4773.86	4510.59	(263.27)
Revenue from Tariff (Wheeling only)	4773.86	4773.86	0.00
Total Revenue			
Total Gap from Distribution Business	0.00	(263.27)	(263.27)
Carrying cost	0.00	0.00	0.00
Total Gap inclusive of carrying cost for true up	0.00	(263.27)	(263.27)

A Revenue Gap of Rs. (263.27) crores on Distribution Business is arrived for FY 2023-24 as shown in the above table. The reasons for Revenue Gap for each of the line items in the ARR for Distribution are explained below in detail.

3.1.1 Operation and Maintenance (O&M) Expenses

The Operation & Maintenance cost comprises the below shown items:

- Salaries, wages and other employee costs

- Administrative and General costs including legal charges, audit fees, rent, rates and taxes etc.,
- Repairs and maintenance costs

The O&M expenses for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the gap for respective heads is given in the table below.

Operation & Maintenance expenses (Gross)

(Rs. in Crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
O&M Gross	3844.31	3680.68	(163.63)
Employee cost	3380.08	3268.60	(111.48)
Admin & General expenses	244.18	172.70	(71.48)
Repairs & Maintenance	220.05	239.38	19.33
Expenses capitalized	215.11	120.52	(94.59)
Net O&M expense	3629.20	3560.16	(69.04)

Operation & Maintenance expenses capitalized

(Rs. in crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Employee Expenses	172.09	102.45	(69.64)
A&G Expenses	43.02	18.07	(24.95)
Total expense capitalized	215.11	120.52	(94.59)

Operation& Maintenance expenses (Net of expenses capitalized)

(Rs. in crores)

Particulars	FY 2023-24		
	Approved	Actuals	Deviation
Employee cost	3207.99	3166.15	(41.84)
Admin & General expenses	201.16	154.63	(46.53)
Repairs & Maintenance	220.05	239.38	19.33
Net O&M expense	3629.20	3560.16	(69.04)

The variation in O&M expenses (Actuals vis-à-vis Approved) are due to following reasons.

- Employee cost
 - The decrease in the actual Employee cost compared with approved is due to the pendency of Dearness Allowance for the financial year 2023-24.
- Admin and General expenses (A&G)
 - The decrease in the actual Administration & General Expenditure is mainly on account of decrease in the travelling expenses, contract labour charges, telephone & communication charges and other establishment expenses.
- Repairs and Maintenance expenses (R&M)

A marginal increase in Repairs & Maintenance Expenses recorded was due to effective maintenance of Substations, Transformers and strengthening of Cable Networks.
- Capitalization of O&M expense:
 - The variation in capitalization of O&M expenses (Actuals vis-à-vis Approved) is due to low capitalization and high capital work-in-progress (CWIP) compared to approved value.

3.1.2 Depreciation Expenses :

The depreciation expenses for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation is shown in the table below:

Depreciation expenses as per books of accounts (CERC rates) are given below:

(Rs. in Crores)

Particulars	FY 2023-24		
	Approved	Actuals (CERC)	Variation
Depreciation during the year	1158.53	842.83*	(316.40)

*Amortized depreciation on CC assets is Rs. 328.16 Crore as per books of accounts

3.1.3 Return on Capital Employed (RoCE)

The Return on Capital Employed (RoCE) for the 5th year of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation for respective heads is given in the table below:

(Rs. in Crores)

Particulars	FY 2023-24			
	Opening Balance	Closing Balance	Interest Expenditure	Cost of Debt
Long term Capex Loans	4575.92	4371.95	449.41	10.05%

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Debt	75%	75.00%	0.00%
Equity	25%	25.00%	0.00%
Cost of Debt	9.85%	10.05%	0.20%
Return on Equity	14%	14.00%	0.00%
WACC	10.89%	11.03%	0.15%

(Rs. in Crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Regulated Rate Base (RRB)	5355.75	5036.58	(319.17)
Return on Capital Employed (RoCE)	538.02	555.75	17.73

3.1.4 Capitalization:

The Capitalization for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation is given in the table below.

(Rs. in crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Capitalization	2629.58	1822.76	(806.82)
New Investment	2299.33	1686.89	(612.44)
O&M Expenses Capitalized	215.11	120.52	(94.59)
Interest During Construction capitalized	115.14	15.35	(99.79)
Investment capitalized	2473.90	1763.52	(710.38)

3.1.5. Taxes on Income:

The Taxes on Income for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation is given in the table below.

(Rs. in crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Tax on Income	63.47	0	(63.47)

The variation in Taxes on Income (Actuals vis-à-vis Approved) is due to following reasons:

- TGSPDCL sustained a loss of Rs. 4909.53 crores and hence the Income Tax liability is 'NIL' for Financial Year 2023-24.

3.1.6. Special Appropriation:

The Special Appropriation for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation is given in the table below.

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Special Appropriation	20.00	5.25	(14.75)

The expenses claimed towards special appropriations are incurred for activities related to safety of consumers and employees.

- i. Providing of safety materials viz., Gum boots, Helmets, Safety belts, Earth rods, Gloves etc.
- ii. Providing awareness programs to the Consumers and O & M staff to minimize/avoid the fatal accidents.

The licensee has also incurred the following expenses towards safety measures which are covered under R & M category.

- i. Erection of intermediate poles for proper clearance
- ii. Providing of Earthing
- iii. Providing of fencing
- iv. Reconstruction of damaged DTR plinth
- v. Plinth Raisings
- vi. Providing of SMC Distribution boxes
- vii. Providing of foot Cross arms
- viii. Rectification of DTR structures
- ix. Replacement of damaged AB cable
- x. Providing of safety materials viz., Gum boots, Helmets, Safety belts, Earth rods, Gloves etc.
- xi. Running of Neutral wire from SS.

The total expenses incurred specifically under safety measures during FY 2023-24 are Rs. 5.25 Crores. The balance expenditure of Rs. 14.75 crores incurred towards safety measures which was considered under R & M category was hence not reflected under the head of Special Appropriation.

3.1.7. Other Expenditure:

The Hon'ble Commission has not approved any amount under 'Other Expenditure' for the 5th year (2023-24) of 4th Control Period. Whereas, the Licensee has incurred Rs. 22.78 crores under other expenditure and as per the Standards of performance issued by the Hon'ble TGERC, the Licensee has been

paying the compensation towards electrical accidents on humanitarian grounds, for no fault of Licensee in the most of the electrical accidents.

Detailed break-up for the other expenditure is as follows:

(Rs. in crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Assets Scrapped	0.00	2.58	2.58
Compensation paid to electrical accidents	0.00	20.20	20.20
Total	0.00	22.78	22.78

3.1.8. Revenue from Open Access (OA)

The Revenue from OA for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation is given in the table below.

(Rs.in Crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Revenue from OA	49.84	19.08	(30.76)

3.1.9. Non-Tariff Income:

The Non-Tariff income for the 5th year (2023-24) of 4th Control Period approved by the Hon'ble Commission vis-à-vis actuals along with the variation is given in the table below.

(Rs. in crores)

Particulars	FY 2023-24		
	Approved	Actuals	Variation
Non-Tariff Income	585.52	456.40	(129.12)

The detailed break up of Non-Tariff Income is detailed as below.

(Rs. in crores)

Particulars	2023-24
Income from rent of land or buildings	0.4
Net income from sale of de-capitalized assets	0
Income from sale of scrap	1.7
Income from statutory investments	
Interest income on advances to suppliers/contractors	0.02
Income from rental from staff quarters	0.01
Income from rental from contractors	7.11
Income from hire charges from contractors and others	0.06
Income from consumer charges levied in accordance with Schedule of Charges approved by the Commission	0.61
Supervision charges for capital works	116.21
Income from advertisements	0
Income from sale of tender documents	0.29
Any other Non-Tariff Income	1.83
Total	128.24
Amortized Depreciation on CC Assets	328.16
NTI DISTRIBUTION TOTAL	456.40

3.1.10. Compliance to the Directive:

Further, in compliance to Directive No. 3 of the Distribution Business Tariff Order for 4th Control Period (FY 2019-2024), the Physical Completion Certificates (PCCs) & Financial Completion Certificates (FCCs) of the capitalised works during FY 2023-24 are enclosed as Annexure and the information regarding the capitalised works for FY 2023-24 is submitted in soft copy.

The Physical Completion Certificates and Financial Completion Certificates along with the details of work orders of the investments capitalized during FY 2023-24 in accordance with the Directive No. 5 of the Wheeling Tariff order for 4th Control Period (FY 2019-20 to FY 2023-24) were submitted to the Hon'ble Commission vide references cited below.

1. Lr.No.CGM(RAC)/ SE(RAC)/ DE(RAC)/ F.No. C/28/D.No.350/23, Dt 28.08.2023
2. Lr.No.CGM(RAC)/ SE(RAC)/ DE(RAC)/ F.No. C/28/D.No.525/23, Dt 13.11.2023
3. Lr.No.CGM(RAC)/ SE(RAC)/ DE(RAC)/ F.No. C/28/D.No.772/24, Dt 02.03.2024
4. Lr.No.CGM(RAC)/ SE(RAC)/ DE(RAC)/ F.No. C/28/D.No.174/24, Dt 02.03.2024

End-of-Control-Period Review for 4th Control Period (FY 2019-20 to 2023-24):

The End-of-Control-Period Review Petition for 4th Control Period i.e., from FYs 2019-20 to 2023-24 under Multi-Year Tariff Principles in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No. 4 (Clause 22 of Part - IV) of 2005” as adopted by Telangana State Electricity Regulatory Commission vide Regulation No. 1 of 2014 by the Licensee is being filed for the consideration of the Hon’ble Commission to take in to account, among other things; the following facts for allowing the **“pass-through as well as sharing of gains or losses on variations in uncontrollable items of ARR and controllable items in accordance with clause 10 of Regulation of 4 of 2005 of APERC as adopted by the Hon’ble TGERC in Regulation 1 of 2014.”**

The Licensee has filed the petitions for Retail Tariff for the financial years 2019-20, 2020-21 & 2021-22 of 4th Control Period on 31.03.2021. The licensee was unable to file the petitions within the timelines due to the reasons mentioned in the Tariff Filings.

The Hon’ble commission returned the said petitions due to delayed filing of petitions, due to which no tariff orders were issued for the Financial Years 2019-20 to 2021-22.

The Hon’ble Commission approved for continuation of Tariff Order for FY 2019-20, 2020-21 & 2021-22 through I.A.No. 3 of 2019 in O.P.Nos. 21 & 22 of 2017, I.A.No. 8 of 2020 in O.P.No. 21 & 22 of 2017 & I.A.No. 4 of 2021 in O.P.No. 21 & 22 of 2017 dated 27.03.2021 respectively by considering the request of the Licensee.

Whereas, the Hon'ble Commission determined the Distribution ARR & approved the Wheeling Tariffs for 4th Control Period (FY 2019-20 to FY 2023-24).

The licensee was unable to pass on the Distribution Cost incurred and approved by Hon'ble Commission for FYs 2019-20, 2020-21 and 2021-22 to the Retail Supply Consumers, due to non-approval of the Retail Supply Business Petitions filed by the licensee on 31.03.2021 by the Hon'ble Commission.

Therefore, the Licensee proposes the variation computed in True Up calculations for FY 2019-20, FY 2020-21 and FY 2021-22 by comparing with the approved Distribution ARR components of FY 2018-19 Tariff Order. The year-wise comparisons have been summarized in the subsequent sections.

ARR Approved in FY 2018-19:

The Distribution ARR approved for FY 2018-19 is summarized below.

Rs. in crores

Distribution ARR	FY 2018-19
O&M Expense	1901.31
Return on Capital Employed	729.99
Depreciation	774.49
Taxes on Income	37.81
Special Appropriations	50.00
Other Expenses	0.59
Gross ARR	3494.18
Less: Revenue from OA and Non-Tariff Income	395.46
Net ARR	3098.72

Annual Performance Review on Distribution Business for FY 2019-20:

The Annual Performance Review for FY 2019-20 was filed by considering the approved Distribution ARR of FY 2019-20 approved by the Hon'ble Commission in MYT order for Distribution Business for 4th control period; whereas, the Annual Performance Review was actually to be filed based on the approved components of Distribution ARR of FY 2018-19 resulting in non-passing of the Distribution Cost to the Retail Supply Consumers. The component wise variation of Distribution ARR

approved in Tariff Order for FY 2018-19 vis-à-vis the Approved APR for FY 2019-20 is tabulated below.

Rs. in crores

FY 2019-20			
Particulars	Distribution ARR Approved in MYT Order 2018-19	FY 2019-20 APR Approved	True-up Amount
(1)	(2)	(3)	(4=3-2)
O&M Expense	1901.31	2576.12	674.81
Return on Capital Employed	729.99	659.57	(70.42)
Depreciation	774.49	757.01	(17.48)
Taxes on Income	37.81	0.00	(37.81)
Special Appropriations	50.00	0.00	(50.00)
Other Expenses	0.59	0.00	(0.59)
Gross Distribution ARR	3494.19	3992.70	498.51
Less: Revenue from OA and Non-Tariff Income	395.46	426.33	30.87
Net Distribution ARR	3098.73	3566.37	467.64

Annual Performance Review on Distribution Business for FY 2020-21:

The Annual Performance Review for FY 2020-21 was filed by considering the approved Distribution ARR of FY 2020-21 approved by the Hon'ble Commission in MYT order for Distribution Business for 4th control period; whereas, the Annual Performance Review was actually to be filed based on the approved components of Distribution ARR of FY 2018-19 resulting in non-passing of the Distribution Cost to the Retail Supply Consumers. The component wise variation of Distribution ARR approved in Tariff Order for FY 2018-19 vis-à-vis the Approved APR for FY 2020-21 is tabulated below.

FY 2020-21			
Particulars	Distribution ARR Approved in MYT Order 2018-19	FY 2020-21 APR Approved	True-up Amount
(1)	(2)	(5)	(6=5-2)
O&M Expense	1901.31	2529.25	627.94
Return on Capital Employed	729.99	679.83	(50.16)
Depreciation	774.49	874.37	99.88
Taxes on Income	37.81	0.00	(37.81)
Special Appropriations	50.00	0.00	(50.00)
Other Expenses	0.59	0.00	(0.59)
Gross Distribution ARR	3494.19	4083.45	589.26
Less: Revenue from OA and Non-Tariff Income	395.46	453.58	58.12
Net Distribution ARR	3098.73	3629.87	531.14

Annual Performance Review on Distribution Business for FY 2021-22:

The Annual Performance Review for FY 2021-22 was filed by considering the approved Distribution ARR of FY 2021-22 approved by the Hon'ble Commission in MYT order for Distribution Business for 4th control period; whereas, the Annual Performance Review was actually to be filed based on the approved components of Distribution ARR of FY 2018-19 resulting in non-passing of the Distribution Cost to the Retail Supply Consumers. The component wise variation of Distribution ARR approved in Tariff Order for FY 2018-19 vis-à-vis the Approved APR for FY 2021-22 is tabulated below.

Rs. in crores

FY 2021-22			
Particulars	Distribution ARR Approved in MYT Order 2018-19	FY 2021-22 APR Approved	True-up Amount
(1)	(2)	(5)	(6=5-2)
O&M Expense	1901.31	2307.73	406.42
Return on Capital Employed	729.99	624.91	(105.08)
Depreciation	774.49	713.40	(61.09)
Taxes on Income	37.81	0.00	(37.81)
Special Appropriations	50.00	0.00	(50.00)
Other Expenses	0.59	0.00	(0.59)
Gross Distribution ARR	3494.19	3646.04	151.85
Less: Revenue from OA and Non-Tariff Income	395.46	535.81	140.35
Net Distribution ARR	3098.73	3110.23	11.50

Annual Performance Review 2022-23:

The Annual Performance Review for FY 2022-23 was filed by considering the approved Distribution ARR of FY 2022-23 approved by the Hon'ble Commission in MYT order for Distribution Business for 4th control period; The component wise variation of Distribution ARR approved in Tariff Order for FY 2022-23 vis-à-vis the Approved APR for FY 2022-23 is tabulated below.

Rs. in crores

FY 2022-23			
Particulars	APR for FY 2022-23 Approved in OP.No. 37 of 2023 Dt: 07.06.2024	FY 2022-23 Actuals	True-up Amount
(1)	(2)	(3)	(4=3-2)
O&M Expense	3429.81	3429.81	0.00
Return on Capital Employed	580.77	538.55	42.22
Depreciation	771.95	801.90	(29.95)
Taxes on Income	0.00	0.00	0.00
Special Appropriations	0.00	5.82	(5.82)
Other Expenses	0.00	57.03	(57.03)
Gross Distribution ARR	4782.53	4833.11	(50.58)
Less: Revenue from OA and Non-Tariff Income	500.96	500.96	0.00
Net Distribution ARR	4281.57	4332.15	(50.58)

Annual Performance Review FY 2023-24:

The Annual Performance Review for FY 2023-24 was filed by considering the approved Distribution ARR of FY 2023-24 approved by the Hon'ble Commission in MYT order for Distribution Business for 4th control period; The component wise variation of Distribution ARR approved in Tariff Order for FY 2022-23 vis-à-vis Actuals is tabulated below.

FY 2023-24			Rs. in crore
Particulars	DB ARR Approved in MYT Order 2023-24	Actuals (CERC)	Variations
(1)	(2)	(3)	(4 = 3-2)
Operation & Maintenance expenses	3629.20	3560.16	(69.04)
Return on Capital Employed	538.02	555.75	17.73
Depreciation	1158.53	842.13	(316.40)
Taxes on Income	63.47	0.00	(63.47)
Special appropriations	20.00	5.25	(14.75)
Other Expenditure	0.00	22.78	22.78
Aggregate Revenue Requirement	5409.22	4986.07	(423.15)
Less: Non-Tariff Income	585.52	456.40	(129.12)
Less: Revenue from OA	49.84	19.08	(30.76)
Net Aggregate Revenue Requirement	4773.86	4510.59	(263.27)

Summary of True Up / True Down for 4th Control Period:

The summary of Aggregate True-up by considering Distribution ARR approved FY 2018-19 tariff order for FY 2019-20, 2020-21 & 2021-22 and approved Wheeling Tariff for FY 2022-23 to FY 2023-24 for respective years is submitted below:

Rs. in crores

FY	Approved in TO dated 29.04.2020 (considering 2018-19 Tariff Order for first 3 years)	Approved in True up	Approved Variation
(1)	(2)	(5)	(6=5-2)
2019-20	3098.72	3566.36	467.64
2020-21	3098.72	3629.87	531.15
2021-22	3098.72	3110.23	11.51
2022-23	4670.72	4281.56	(389.16)
2023-24	4773.86		(263.27)
Total	18740.74	14588.02	357.87

Special Appropriations:

As per the guidelines of the Hon'ble Commission of Proceedings No. TSERC/Secy/86 of 2015, Dt:28-12-2015, para no.3 is extracted as below.

“After careful consideration of the information submitted and issues raised by the DISCOMs, the Commission hereby enhances the ex-gratia sum payable, as a safety measure, in the case of a fatal accident resulting in death of a non-departmental person and / or of an animal owing to electrocution and other issues connected therewith are dealt hereunder.”

In the light of the above proceedings, it is to submit that the TGSPDCL has been paying the compensation/ex-gratia towards Electrical accidents every year to non - departmental person and / or of an animal with Departmental fault or without Departmental fault, though the faults are on consumer's side in most of the cases and **this expenditure is booked under compensations account under A&G expenses in the licensee's books of accounts.**

The Licensee has been showing this compensation / ex gratia amount paid towards electrical accidents as a safety measure under special appropriation head in the

APR filings, which the Hon'ble commission has not considered for true up filings either under special appropriation head or any other head. Therefore, the licensee proposes to consider the above ex-gratia compensation amount paid towards electrical accidents in the true up filings.

Rs in Crores

FY	Compensation
2019-20	13.50
2020-21	11.53
2021-22	19.95
2022-23	19.76
2023-24	20.20
Total	84.94

The net True up variation considering compensation as shown above and approved variation for FYs 2019-20 to 2023-24 is submitted below.

Rs. in crores

FY	Compensation	Approved Variation	Net True Up
2019-20	13.50	467.64	481.14
2020-21	11.53	531.15	542.68
2021-22	19.95	11.51	31.46
2022-23	19.76	-389.16	(369.4)
2023-24	20.20	-263.27	(243.07)
Total	84.94	357.87	442.81

As the Licensee was unable to pass on the approved Wheeling Tariff for Financial Years 2019-20 to FY 2021-22 in the Retail Tariffs in the absence of the approved Retail Supply Tariff Order for FYs 2019-20 to 2021-22, the Licensee humbly prays the Hon'ble Commission to consider the net True up variations as shown above.


Prayer:

The Petitioner prays the Hon'ble Commission that,

- i. The licensee could not recover the approved Wheeling Tariffs from FY 2019-20 to FY 2021-22, as the Hon'ble TGERC ordered to continue the Tariff Order of FY 2018-19 for FYs 2019-20 to 2021-22. Though the licensee has been continuously striving for strengthening the Distribution Network by incurring huge costs to provide quality & reliable power supply without any interruption 24 X 7 to all the categories of consumers.
- ii. The Hon'ble Commission is therefore prayed to admit the proposals of the licensee to recover the huge costs incurred and to meet the quality power supply demand of the existing and prospective consumers without any network constraints as follows.
 - a. Approve the Net True Up of Rs. 442.81 Crores for the Distribution Business for the 4th Control Period (FY 2019-20 to FY 2023-24).

Place: Hyderabad

Dated: 23.12.2024


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

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY
REGULATORY COMMISSION**

At Its Office at Vidyut Niyantaran Bhavan, G.T.S. Colony, Kalyan Nagar,
Hyderabad – 500 045

FILING NO. _____/2024

CASE NO. _____/2024

In the matter of:

Filing of End-of-Control-Period Review Petition for 4th Control Period i.e., from FYs 2019-20 to 2023-24 under Multi-Year Tariff Principles in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No. 4 (Clause 22 of Part - IV) of 2005” as adopted by Telangana State Electricity Regulatory Commission vide Regulation No. 1 of 2014 by the Southern Power Distribution Company of Telangana Limited (“TGSPDCL” or ‘the company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee.

In the matter of:

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA
LIMITED**

... Applicant

**AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING
PETITION**

I, Sri K. SAI BABA, S/o Sri K. SWAMY, aged 61 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 affidavit in the present proceedings.

- 2) I have read and understood the contents of the accompanying application drafted pursuant to my instructions. The statements made in the 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.


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

VERIFICATION

The above named Deponent solemnly affirm at Hyderabad on this 23rd day of December, 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.


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

V. Anil Kumar
Solemnly affirmed and signed before me.

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