

**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
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Place: Hyderabad

Dated: 27.09.2024