

దక్షిణ తెలంగాణ విద్యుత్ పంపిణీ సంస్థ

**SOUTHERN POWER DISTRIBUTION COMPANY OF  
TELANGANA LIMITED**

(Distribution and Retail Supply of Electricity Licensee)



**Filing of ARR  
for  
Retail Supply Business for FY 2022-23**



30<sup>th</sup> November , 2021

**BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY  
COMMISSION**

AT ITS OFFICE AT 5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

FILING NO. \_\_\_\_\_/2021  
CASE NO. \_\_\_\_\_/2021

**In the matter of:**

**Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business for the year FY 2022-23 under Section 62 of the Electricity Act, 2003.**

**In the matter of:**

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED .... Applicant**  
# 6-1-50, Corporate Office, Mint Compound, Hyderabad 500063, Telangana, India.  
Phone No. (040) 2343 1018; Fax No. (040) 2343 1082; website: [www.tssouthernpower.com](http://www.tssouthernpower.com)

The Applicant respectfully submits as under:

1. With the enactment of Andhra Pradesh Reorganisation Act, 2014 [APR Act] the Telangana state has been carved out from the undivided Andhra Pradesh state as the 29<sup>th</sup> state of the Republic India on 02.06.2014. On the eve of state bifurcation, the 2 districts, Anantapur and Kurnool have been delinked from APCPDCL and merged with APSPDCL in accordance with the provisions of APR Act vide G.O.Ms.No.24, dated 29.05.2014, Further, the name of the Central Power Distribution Company of Andhra Pradesh Limited has been changed to Southern Power Distribution Company of Telangana Limited (TSSPDCL).
2. The erstwhile Regulatory Commission of the undivided state of Andhra Pradesh has notified Regulation No.3 of 2014 (Reorganisation) Regulation, 2014 on 26.05.2014 consequent to the framing of APR Act notified by Government of India (GoI) on 01.03.2014, wherein clause 3 of the regulation says that -  
*“All the notified regulations as well as their supplementary regulations/amendments, rules, orders, proceedings, guidelines, memos, notifications, other instruments issued immediately before 2<sup>nd</sup> June, 2014 by the APERC for conduct of business and other matters shall fully & completely apply to the whole of the states of Telangana and Andhra Pradesh and shall similarly apply in relation to all matters falling within the jurisdiction of the Commission until they are altered, repealed or amended by the respective State Electricity Regulatory Commissions.”*
3. In accordance with the above regulation, all the regulations framed by erstwhile APERC will continue to apply for the state of Telangana. Subsequently TSERC vide Telangana Official Gazette has notified its first regulation, Regulation No.1 of 2014

on 10.12.2014 (Adoption of Previously Subsisting Regulations, Decisions, Directions or Orders, Licenses and Practice of Directions) wherein clause 2 says that –

*“All regulations, decisions, directions or orders, all the licences and practice directions issued by the erstwhile Andhra Pradesh Electricity Regulatory Commission (Regulatory Commission for States of Andhra Pradesh and Telangana) as in existence as on the date of the constitution of the Telangana State Electricity Regulatory Commission and in force, shall mutatis-mutandis apply in relation to the stakeholders in electricity in the State of Telangana including the Commission and shall continue to have effect until duly altered, repealed or amended, any of the Regulation by the Commission with effect from the date of notification as per Notification issued by the Government of Telangana in G.O.Ms.No.3 Energy(Budget) Department, dated 26-07-2014 constituting the Commission.”*

4. This filing is made by the **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TSSPDCL)** under Section 64 of the Electricity Act, 2003 for determination of the Aggregate Revenue Requirement (ARR) for the year FY 2022-23.
5. As per Regulation No.4 of 2005, the licensee is required to file the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff proposal for the entire control period i.e., for the period FY2019-20 to FY2023-24.
6. The Licensee vide its letter dated 28.09.2021 represented the Honble Commission to permit the licensee to file ARR and Tariff Petition for retail supply business on annual basis from hereon and specifically for the 4<sup>th</sup> year i.e. FY 2022-23 of the 4<sup>th</sup> MYT Control Period. The Licensee presents below the reasons for allowing filing of ARR on an annual basis:
  - i). **Significant uncertainty involved in projection of quantum of power to be purchased from various sources as well as in costs**
    - a. **Projections of Generation Availability**
      - Projection of power to be purchased from Genco stations, CGS Stations & other stations would be difficult beyond one year. As seen in the past there have been deviations from the scheduled commissioning for both thermal and Hydro plants. Given the high quantum of power likely to be purchased from the plants likely to be commissioned till FY2023-24, any deviations in the power procurement schedule from these plants will have a material impact on the power purchase costs, if projections are to be done for the control period.
    - b. **Projections of Power Purchase Costs**
      - The Order on Generation Tariffs based on the Generation Regulation is yet to be determined by the Commission after the filings of TSGenco for

the 4<sup>th</sup> control period. Hence the quantum of deviations between generation tariffs used in the projections and the approved costs are likely to be magnified if the power purchase costs are to be projected over the control period.

ii). **Regulatory objectives of a Multi-year tariff regime not met**

**a. Mechanism of Incentivization**

- One of the objectives of the multi-year tariff regime is to incentivize the performance of the licensee based on its achievement vis-à-vis the targets fixed by the regulator. In the current scenario, this concept is more relevant in distribution business, as many of the ARR items in distribution business are deemed to be controllable and the licensee can take steps to achieve the targets fixed by the regulator thereby improving its operational performance. However, in the retail supply business, the cost of power purchase is uncontrollable factor and hence not amenable to fixation of targets. Hence the regulatory objective of improving the performance of the licensee, intended to be achieved in a multi-year tariff regime is not met in case of retail supply business.

**b. Tariff Certainty**

- The other key objective intended to be achieved through a multi-year tariff framework is to reduce the regulatory uncertainty for consumers stemming from methodology followed by the regulator in tariff setting. This objective is achieved in the distribution business through the wheeling tariffs set for the MYT control period which are based on the factors which are controllable by the licensee. However, in retail supply business, following are the key constraints in fixing a tariff for control period:
  - The uncertainty in power purchase costs has a significant impact on the 'Cost to Serve' which forms the basis of fixation of retail tariffs.
  - In addition to 'cost of service', the retail tariffs also depend on the level of subsidy support from Government of Telangana State and cross subsidy levels across consumer categories. These factors are beyond the control of the licensee.
- Hence the objective of providing tariff certainty to consumers, which is well established in distribution business in the form of wheeling tariffs, is unlikely to be met in retail supply business due to the uncontrollable factors mentioned above.

iii). **Demand Side uncertainties**

- The policy of the Government of Telangana towards the agricultural supply hours and the likely date of commissioning of the Lift Irrigation Schemes (LI Schemes) and Railway/HMR projects are other parameters which would significantly alter the demand projections for the control period.
- It is also very difficult to predict with the accuracy levels of demand that will be there for power from different category of consumers especially Industrial and Commercial consumers. These are dependent on macroeconomic situations and are not easy to forecast over a control period. Variations in this demand will alter sales mix and therefore make ARR substantially inaccurate if done over a control period.

7. The Honble Commission has allowed the licensee to file retail supply tariff petitions for the remaining two years in the present control period i.e. FY 2022-23 and FY 2023-24 on annual basis vide its letter no. S/R.O.-1/5 Secy/JD(Law)-02/D.No. 518/2021 dated 05.11.2021.

8. The Hon'ble Commission vide its Suo-Moto Order dated 18.07.2020 (O.P. No. 18 of 2020), has revised the tariffs applicable to all water pumping stations of Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB), in terms of the directions of the Telangana Government under Section 108 of the Electricity Act, 2003. As per the Hon'ble Commission's directions, such revised tariffs shall be applicable from FY 2018-19 onwards and shall continue till a final view is taken by the Hon'ble Commission on determination of tariff for retail supply for FY 2020-21, FY 2021-22 and FY 2022-23 and also in true-up of retail supply tariff for FY 2018-19.

- Since FY 2020-21 and Q1 FY 2021-22 have already been completed, the licensee has considered the actual revenue billed during this period under the prevailing tariff category (HT I (A)).
- For FY 2021-22 (Q2 onwards) and FY 2022-23, the licensee has projected the sales and revenue for HMWSSB, in accordance with the revised tariffs in the aforesaid order.

9. In this filing, the Licensee is submitting the following: -

- a. ARR for Retail Supply Business for FY2022-23.

- b. Actual Revenue for FY 2020-21 and Revenue projections at existing tariffs for Retail Supply Business for FY2022-23.
  - c. Cost of Service for FY2022-23.
10. The licensee has adopted the following methodology to arrive at the ARR for retail supply business.
- **Distribution Cost:** The licensee has considered the Distribution cost for FY21 as per the actuals, and FY22 and FY23 as per the order issued by the Hon'ble Commission on the Distribution ARR and Wheeling tariff for the 4<sup>th</sup> control period from FY 2019-20 to FY 2023-24 on 29.04.2020 (along with the Amendment Order on 01.03.2021). Distribution cost so considered has been used for arriving at the Retail Supply ARR for FY 2020-21, FY 2021-22 and FY 2022-23 respectively.
  - **Transmission Cost:** The licensee has considered the transmission costs actually paid to TS Transco during FY 2020-21. For FY 2021-22 and FY 2022-23, the transmission tariff of Rs.111.68kW/Month and Rs.129.45 kW/Month for contracted capacity with the TS Transco (MW) of 14989.8 MW for FY 2021-22 & 15344.7 MW for FY 2022-23 have been considered as per the transmission MYT order for 4<sup>th</sup> control period issued by the Hon'ble Commission on 20.03.2020. The annual Transmission cost so considered has been used for arriving at the Retail Supply ARR for FY 2021-22 and FY 2022-23.
  - **SLDC Cost:** The licensee has considered the costs actually paid to SLDC during FY 2020-21. The licensee has considered the SLDC Annual Fee (Rs. 2706.21/MW/ Annum) and Operating Charges (Rs.1668.69/MW/ Month) and the contracted capacity of 15813.54 MW for FY 2021-22 & SLDC Annual Fee (Rs. 2824.46/MW/ Annum) and Operating Charges (Rs.1396.67/MW/ Month) and the contracted capacity of 16166.88 MW for FY 2022-23 as per the SLDC MYT order for 4<sup>th</sup> control period issued by the Hon'ble Commission on 02.03.2020.
  - **PGCIL (POC) Charges, PGCIL (Non-POC) and SRLDC charges & fees:** The licensee has considered the actual PGCIL charges paid for FY 2020-21 and H1 FY 2021-22. For H2 FY 2021-22 and FY 2022-23, the average of PGCIL rates for the months of January 2021 to September 2021, as available in the SRPC website. This rate along with the projected capacities for CGS stations, Thermal Power Tech (Units I, II) and CSPDCL has formed the basis for calculating PGCIL (POC) charges for H2 FY 2021-22 and FY 2022-23. Other PGCIL charges (STOA charges) paid as a result of procuring power from IEX, has also been considered based on the actuals of FY 2020-21 and H1 FY 2021-22.

For FY 2020-21 and H1 FY 2021-22, the actual PGCIL (Non-POC) charges and SRLDC charges & fees, have been considered. The projections for H2 FY 2021-22 and FY 2022-23 have been done in line with the FY 2020-21 and H1 FY 2021-22 actuals. An estimate of PGCIL (POC) charges payable on account of the medium-term power procurement from PTC India Ltd., is also included in the overall projection.

- **Distribution Losses:** The licensee has considered the distribution voltage-wise actual loss levels for FY 2020-21 and losses for FY 2021-22, FY 2022-23 as per the approved trajectory in Wheeling tariff order for 4<sup>th</sup> control period issued by the Hon'ble Commission.
- **Transmission Losses:** The licensee has considered the actual losses for FY 2020-21 and for FY 2021-22, FY 2022-23 at 2.64% and 2.57% respectively, as per the approved trajectory in Transmission tariff order for 4<sup>th</sup> control period issued by the Hon'ble Commission.
- **PGCIL Losses:** The actual losses external to the TSTransco system have been considered for FY 2020-21. For FY 2021-22, the losses have been estimated to be 3.28% based on the actual loss figures provided by TS Transco for April to August 2021 and considering the POC losses furnished in the latest available notifications by POSOCO for the remaining period of October 2021 to March 2022. For FY 2022-23, the losses are estimated to be 3.24% based on the latest available notification on POC losses by POSOCO.

**In these filings, the Licensee has considered actual sales and losses for FY 2020-21 and estimated for FY 2021-22, FY 2022-23 based on previous year's information and other pertinent factors.**

**Summary of the Filing:**

**a) Sale of Energy and Loss:**

Particulars	2020-21 (Actuals)		2021-22 (Estimates)		2022-23 (Projection)	
	MU	%	MU	%	MU	%
Metered Sales	26530	62.51%	31268	66.38%	37640	70.89%
LT Agricultural Sales	11745	27.67%	11648	24.73%	11182	21.06%
<b>Total Sales</b>	<b>38275</b>	<b>90.18%</b>	<b>42916</b>	<b>91.11%</b>	<b>48823</b>	<b>91.96%</b>
Add: Distribution Losses (incl. EHT sales)	4168	9.82%	4188	8.89%	4271	8.04%
<b>Energy Required at Discom Level</b>	<b>42443</b>	100.00%	<b>47104</b>	100.00%	<b>53094</b>	100.00%
Distribution Losses (excluding EHT sales)	4168	10.97%	4188	10.07%	4271	9.86%

It is expected to reduce the losses further with the implementation of the following measures.

- i) Reduction of both technical and commercial losses by vigorously conducting 11 kV feeder wise energy audits around 7575Nos. feeders in the company.
- ii) During the year 2020-21, 2461Nos. feeders (Towns and Mandal Headquarters) are available in EAUDIT for which energy audit is done on regular basis at corporate office level.
- iii) 176Nos. additional 11 KV 2 MVAR capacitor banks were proposed during the year 2020-21.

For the year 2019-20, 29Nos. additional 33/11kV sub-stations are charged and for H1 of 2020-21, 7Nos. sub-stations are charged.

- b) Actual Sales for FY 2020-21, Estimates for FY 2021-22 and Projections for FY 2022-23:** The licensee has adopted the trend method and end-user method for projecting the category-wise sales for H2 FY2021-22 and FY 2022-23. As the name suggests, the licensee has considered the historical growth trend observed in the sales of categories. End-Use method has been used for projecting the sales in certain categories i.e., HT-I Industrial, HT-IV Lift Irrigation & CPWS and HT-V Traction, because of high dependence of demand on the end-use and since the historical growth trend for these categories does not take into consideration the new initiatives which have significant impact on the sales projections. The actual sales for FY 2020-21, H1 FY 2021-22 and sales projections for H2 FY 2021-22 and FY 2022-23 are presented in table below:

<b>Sales/Forecast Sales (MU)</b>	<b>2020-21 (Actuals)</b>	<b>2021-22 (Est.)</b>	<b>2022-23 (Proj.)</b>
<b>LT Category</b>	<b>24,286</b>	<b>24,872</b>	<b>25,246</b>
LT-I(A)(i); I(A)(ii); I(B)(i) & I(B)(ii): Domestic	8,912	9,237	9,884
LT-II(A); II(B); II(C): Non- Domestic/Commercial	2,161	2,480	2,639
LT-III: Industry	880	909	930
LT-IV(A); IV(B): Cottage Industries	10	10	10
LT-V(A); V(B); V(C): Agricultural	11,745	11,648	11,181
LT-VI(A); VI(B): Street Lighting & PWS Schemes	478	464	473
LT-VII(A); VII(B): General Purpose	48	56	57
LT-VIII: Temporary Supply	53	69	71



<b>Sales/Forecast Sales (MU)</b>	<b>2020-21 (Actuals)</b>	<b>2021-22 (Est.)</b>	<b>2022-23 (Proj.)</b>
LT IX: EV	0	0	2
<b>HT Category</b>	<b>13,988</b>	<b>18,044</b>	<b>23,576</b>
<b>HT Category at 11 kV</b>	<b>5,014</b>	<b>6,227</b>	<b>6,665</b>
HT-I(A): Industry (General)	3,460	4,137	4,409
HT-I(B): Ferro Alloy Units	0	0	0
HT-II: Others	1,182	1,643	1,741
HT-III: Airports, Bus Stations and Railway Stations	2	6	6
HT-IV(A): Lift Irrigation and Agriculture	42	50	58
HT-IV(B): CPWS	113	134	155
HT-VI: Townships and Residential Colonies	128	142	159
HT VII Temporary	85	113	125
HT VIII RESCO	0	0	0
HT IX EV	2	3	14
<b>HT Category at 33 kV</b>	<b>4,537</b>	<b>6,283</b>	<b>7,156</b>
HT-I(A): Industry (General)*	3,576	4,986	5,721
HT-I(B): Ferro Alloy Units	25	35	36
HT-II: Others	626	899	1,006
HT-III: Airports, Bus Stations and Railway Stations	0	0	0
HT-IV(A): Lift Irrigation and Agriculture	15	18	19
HT-IV(B): CPWS	191	223	234
HT-VI: Townships and Residential Colonies	85	97	114
HT VII Temporary	18	26	27
<b>HT Category at 132 kV and above</b>	<b>4,438</b>	<b>5,533</b>	<b>9,755</b>
HT-I(A): Industry (General)	2,238	2,891	3,535
HT-I(B): Ferro Alloy Units	105	161	164
HT-II: Others	37	45	46
HT-III: Airports, Bus Stations and Railway Stations	50	74	80
HT-IV(A): Lift Irrigation and Agriculture	1,561	1,763	5,248
HT-IV(B): CPWS	208	223	234
HT-V(A&B): Railway Traction & HMR	239	377	448
HT-VI: Townships & Residential Colonies	0	0	0
HT VII Temporary	0	0	0
<b>Total</b>	<b>38,275</b>	<b>42,916</b>	<b>48,823</b>

- c) **Key Demand Drivers for FY20-21, FY21-22 and FY 22-23:** Some of the key drivers for the increase in the demand of the licensee have been highlighted below:

- **Lift Irrigation (LI) Schemes:** The Telangana government has initiated the ambitious Kaleshwaram lift irrigation project along with the existing ones, to meet the needs of the agriculture consumers in the State. Licensee has considered the expected additional loads and energy requirement as indicated by the Irrigation department, considering the need for realistic projections. The projected use of LIS pump-sets has shown an increase of 13% from 1617 MU in FY 2020-21 to 1830 MU in FY 2021-22 and increase of 190% from 1830 MU in FY 2021-22 to 5325 MU in FY 2022-23.
- **24 Hours Supply to Agriculture Consumers:** Telangana is the pioneer state in India to have announced 24 hrs power supply to all agricultural consumers in the State from 1st January 2018. The Petitioner has expedited measures for strengthening the network for supply of 24 hrs. power to agriculture consumers. This has led to significant increase in the agricultural consumption in the state in FY19 over the previous year. The year FY20 saw abnormally high rainfall, causing the agriculture consumption to reduce in comparison to the actual sales of FY19. Though, there is a marginal increase in FY 21 sales, keeping in view the additional loads to be added through Lift Irrigation schemes in FY 22 and FY 23, it is expected that the agricultural consumption would come down given the fall in use of borewells and a rise in canal-based cultivation. The licensee would like to state on record that it is envisaging the reduction in FY22 and FY23 agriculture sales given the full-fledged operations of the LI schemes. In case the actual sales, despite the LI Scheme operations emerge to be higher than anticipated, the same may be considered by the Hon'ble Commission in the true-up exercise.

d) **Power Purchase Requirement for the state of Telangana for FY 2020-21, FY 2021-22 and FY 2022-23:** The licensee is submitting the actual power purchase quantum and costs for FY 2020-21 and H1 FY 2021-22.

For FY H2 2021-22 and FY 2022-23, the power purchase plan is being submitted, which considers all the available generation sources against the projected energy requirement for estimating the energy balance (deficit or surplus).

The following are the key points considered by the licensee with regard to power purchase availability for FY 2021-22 and FY 2022-23 –

- Overall PLF of 70% and 76% (net off auxiliary consumption and maintenance) from TSGENCO thermal stations considered for FY 2021-22 and FY 2022-23 respectively.
- Hydro availability of 4,921 MU and 4,000 MU considered for FY 2021-22 and FY 2022-23 respectively.
- Additional availabilities considered due to expected commissioning of the following generating stations (with COD timelines):
  - BTPS (4x270 MW) - 1<sup>st</sup> unit, 2<sup>nd</sup> and 3<sup>rd</sup> unit of BTPS have been commissioned on 5th June 2020, 7th December 2020 and 27th March 2021 respectively. The Expected CoD of 4<sup>th</sup> unit – 1<sup>st</sup> January 2022.
  - YTPS (5x800 MW) – 1<sup>st</sup> unit (800 MW) is expected to be commissioned on 1<sup>st</sup> March 2023.
  - Telangana STPP (2\*680 MW) - Expected CODs – 1st Oct'22 (Unit I), 1st Jan'23 (Unit II)
- For the years of FY 2020-21, FY 2021-22 and FY 2022-23, the licensees have entered into an agreement with PTC India Ltd. for the procurement of 550 MW for 6 months period in a year, under the MoP notified pilot scheme for aggregation of 2500 MW for 3 years (under Medium Term) through competitive bidding
- The overall energy scenario for the state in FY 2021-22 and FY 2022-23 is given below –

Particulars	2021-22 (Estimates)	2022-23 (Projections)
Energy Requirement (MU)	72,178	84,222
Energy Availability (MU)	75,386	87,288
Surplus /Deficit (MU)	3,208	3,066

**e) Power Purchase Cost Estimate for the state of Telangana for FY 2021-22 and FY 2022-23**

- The licensee has considered the actual variable and fixed costs paid to all the generating stations for FY 2020-21 and H1 FY 2021-22. For H2 FY 2021-22 and FY 2022-23, the Petitioner has taken the

provisional fixed cost and variable cost projections shared by the respective generating stations (except TSGENCO, CGS stations).

- For TSGENCO thermal stations, for H2 FY 2021-22, the licensee has taken the fixed cost projections in line with the actuals for H1 FY 2021-22. For FY 2022-23, the licensee has taken the projections as provided by the respective stations.
- For CGS thermal stations, the licensee has taken the fixed cost projections for H2 FY 2021-22 and FY 2022-23 in line with the actuals for H1 FY 2021-22. The variable cost projections for H2 FY 2021-22, have been considered in line with the actual variable rates paid in H1 FY 2021-22. The projections for FY 2022-23, have been taken in line with the arrived station-wise projections for FY 2021-22.
- The average Power Purchase cost at state level is estimated to be Rs. 4.65/kWh for FY 2021-22 and INR 4.68/kWh for FY 2022-23.
- **Category Wise Revenues:** The table below shows a comparison of the revenue from various consumer categories (FY2020-21) and expected revenue from current tariffs (FY2021-22 and FY2022-23) by TSSPDCL.

**Rs. in crore**

Revenue from Current Tariffs (Rs.Crs.)	2020-21 Actual	2021-22 Estimate	2022-23 Projection
<b>LT Category</b>	<b>7680</b>	<b>8036</b>	<b>8534</b>
LT-I: Domestic	4210	4,333	4626
LT-II: Non-Domestic/Commercial	2285	2523	2689
LT-III: Industry	729	695	712
LT-IV: Cottage Industries	4	4	5
LT-V: Agricultural	47	49	51
LT-VI: Street Lightning & PWS Schemes	303	309	327
LT-VII: General Purpose	38	43	44
LT-VIII: Temporary Supply	63	79	81
LT-IX: Electric Vehicle Charging Stations	0.01	0.03	1.04
<b>HT Category</b>	<b>11674</b>	<b>13785</b>	<b>16888</b>
HT-I(A): Industry (General)	7079	8358	9144
HT-I(A): HMWSSB	402	550	551
HT-I(B): Ferro-Alloy Units	66	100	102
HT-II: Others	2083	2606	2659
HT-III: Airports, Bus Stations and Railway Stations	41	58	61
HT-IV: Irrigation & CPWS	1539	1508	3635
HT-V: Railway Traction & HMR	151	247	326
HT-VI: Townships & Residential Colonies	145	161	184
HT-VII: Temporary	167	195	218

Revenue from Current Tariffs (Rs.Crs.)	2020-21 Actual	2021-22 Estimate	2022-23 Projection
HT-IX: Electric Vehicle Charging Stations	0.96	2	8
<b>Total</b>	<b>19353</b>	<b>21821</b>	<b>25422</b>

The gross revenue to the licensee (Excl. NTI) for 2020-21 is Rs 19353 crore vis-à-vis actuals of the previous year of Rs. 20493.35 crore, due to drastic decline in the revenues from all categories excepting Domestic, Agriculture and CPWS owing to pandemic impact in the last financial year FY 2020-21. During 2021-22 the estimated revenue from sale of power by TSSPDCL is estimated at Rs.21,820.56 crore, with an increase in metered sales by ~17% over FY20-21.

For FY 2022-23 the estimated revenue from sale of power by TSSPDCL is estimated at Rs.25,421.76 crore, with an increase in metered sales by ~20% over FY21-22, predominantly contributed by the LIS sales.

#### Major reasons for losses:

The main reasons for the losses are the policies of the Govt. of India as shown below

1. Increase in Clean Energy Cess on coal from Rs 50/ton to Rs 400/ton leading to a loss of 24 paise on each unit
2. Increase in cost of coal by about 6% to 10% every year
3. Increase in Railway Freight by 40% in the last 4 years
4. Increase in per unit cost of thermal power plants due to their backing down to enable must run status of renewables

**The estimated revenue gap for the licensee for the ensuing years (FY2021-22, FY 2022-23):**

Particulars	Rs. in crore	
	2021-22 (Estimated)	2022-23 (Projection)
<b>Total Expenditure</b>		
Power purchase	23002	26411
Transmission charges	2009	2384
PGCIL / ULDC Charges	1081	1161
SLDC Charges	36	32
Distribution cost	4225	4671
Interest on consumer deposits	159	175
Supply Margin	33	38

<b>Particulars</b>	<b>2021-22 (Estimated)</b>	<b>2022-23 (Projection)</b>
Other Costs	-	-
<b>ARR</b>	<b>30544</b>	<b>34870</b>
<b>Total Revenue</b>		
Revenue from CSS and AS	287	287
Revenue at Current Tariffs* (Including NTI)	21852	25455
Govt. Subsidy	1398	1398
<b>Net Regulatory Gap</b>	<b>7008</b>	<b>7731</b>

Gross revenue from LIS category as per the above-mentioned projections is estimated to be Rs. 1,211.89 Cr., which is 5% of the gross revenue of Rs 21,820.56 Cr. projected for TSSPD0CL in the year FY 2021-22.

Similarly, Gross revenue from LIS category as per the above-mentioned projections is estimated to be Rs. 2,505.05 Cr., which is ~10% of the gross revenue of Rs. 24,610.33 Cr. projected for TSSPDCL in the year FY 2022-23.

*In this regard the licensee submits to the Hon'ble Commission that, the projections of sales in this category is based on Trend method (which has historical consumptions trend factored) but is only through End-user method (after factoring the additional load shared by Irrigation department). The Licensee prays that the Commission considers any deviation in actual sales vs approved for this category due to high impact such deviations in the upcoming lift irrigation projects will cause on the overall sales and projected revenue. The Licensee prays that the true up of actual sales and revenue for this category be allowed as an exception in the coming year, as this is the year where commissioning of majority of the new pumps have been projected and any delay in the same will impact the Discom financial position very severely. Hence the Licensee pray to the Commission to make necessary additional provisions to the existing clauses mentioned in this regard as per Regulation no. 4 of 2005 of APERC which is "Terms and conditions for determination of tariff for wheeling and Retail sale of Electricity" in this case considering the exceptional scenario involving a subsidizing category.*

11. Based on the information available, the Applicant has made sincere efforts to comply with the Regulations of the Hon'ble Commission and discharge its obligations to the best of its abilities. However, should any further material information become available in the near future, the Applicant reserves the right to file such additional information and consequently amend/ revise the application.

12. This filing has been discussed and approved by the Board of Directors of TSSPDCL and Sri G.Raghuma Reddy, Chairman and Managing Director of TSSPDCL has been authorised to execute and file the said document on behalf of TSSPDCL. Accordingly, the current filing documents are signed and verified by, and backed by the affidavit of Sri G.Raghuma Reddy, the Chairman and Managing Director of TSSPDCL.
13. In the aforesaid facts and circumstances, the Applicant requests that the Hon'ble Commission may be pleased to:
- Take the accompanying ARR application of TSSPDCL on record and treat it as complete;
  - To grant the opportunity to TSSPDCL to submit Tariff proposal at a later date
  - Grant suitable opportunity to TSSPDCL within a reasonable time frame to file additional material information that may be subsequently available;
  - Consider and approve TSSPDCL's ARR application including all requested regulatory treatments in the filing;
  - Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

.....Applicant

Through

Place: Hyderabad  
Dated: 30.11.2021

  
CHAIRMAN AND MANAGING DIRECTOR

**G. RAGHUMA REDDY**  
Chairman & Managing Director  
Southern Power Distribution Company  
of Telangana Limited (TSSPDCL)  
M. G. Road Compound, Hyderabad-500 083.