

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

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

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

**In the matter of:**

**Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business for the year 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:

**Affidavit of Applicant verifying the application filed under section 62 of the Electricity Act, 2003 and in accordance with the Regulation 4 of 2005.**

I, Sri G. Raghuma Reddy, son of Sri G. Janga Reddy (Late), working for gain at the Southern Power Distribution Company of Telangana Limited do solemnly affirm and say as follows:

- 1 I am the Chairman and Managing Director of Southern Power Distribution Company of Telangana Limited (TSSPDCL).
- 2 I am competent and duly authorised by TSSPDCL to affirm, swear, execute and file this affidavit in the present proceedings.
- 3 As such, I submit that I have been duly authorised by the Board of Directors of TSSPDCL to submit the application of TSSPDCL for Retail Supply Business for FY 2022-23 as per Terms and Conditions of Tariff for Wheeling and Retail Sale of Electricity (Regulation 4 of 2005), to the Hon'ble Commission.
- 4 I submit that I have read and understood the contents of the appended application of TSSPDCL. The facts stated in the application are true to the best of my knowledge, which are derived from the official records made available and certain facts stated are based on information and advice which, I believe to be true and correct.

- 5 In the aforesaid facts and circumstances, the Applicant requests that the Hon'ble Commission may be pleased to
- a. Take the accompanying ARR application of TSSPDCL on record and treat it as complete;
  - b. To grant the opportunity to TSSPDCL to submit Tariff proposal at a later date
  - c. Grant suitable opportunity to TSSPDCL within a reasonable time frame to file additional material information that may be subsequently available;
  - d. Consider and approve TSSPDCL's ARR application including all requested regulatory treatments in the filing;
  - e. Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.



DEPONENT

**G. RAGHUMA REDDY**

Chairman & Managing Director  
Southern Power Distribution Company  
of Telangana Limited (TSSPDCL)  
Mint Compound, Hyderabad 500 063.

**VERIFICATION:**

I, the above-named Deponent solemnly affirm at Hyderabad on this 30<sup>th</sup> day of November 2021 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

**G. RAGHUMA REDDY**

Chairman & Managing Director  
Southern Power Distribution Company  
of Telangana Limited (TSSPDCL)  
Mint Compound, Hyderabad 500 063.

*V. Anil Kumar*

Solemnly affirmed and signed before me.

**V. ANIL KUMAR**  
COMPANY SECRETARY

TSSPDCL, Corporate Office & Registered Office  
6-1-50, Mint Compound,  
HYDERABAD-500 063. T.S.

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**List of Abbreviations:**

Agl	Agriculture
APGPCL	Andhra Pradesh Gas Power Corporation Limited
ARR	Aggregate Revenue Requirement
AS	Additional Surcharge
CAGR	Compound Annual Growth Rate
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Station
CoD	Date of Commercial Operation
CoS	Cost of Service
CSPGCL	Chhattisgarh State Power Generation Company Limited
CSS	Cross Subsidy Surcharge
CUF	Capacity Utilization Factor
DISCOMs	Distribution Companies, Distribution Licensees, Licensees
DSM	Demand Side Management
DTR	Distribution Transformer
EHT	Extra High Tension
FY	Financial Year
GoI	Government of India
GoTS	Government of Telangana
GTCS	General Terms and Conditions of Supply
HMR	Hyderabad Metro Rail
HP	Horse Power
HT	High Tension
IDC	Interest During Construction
IPPs	Independent Power Producers
JNNSM	Jawaharlal Nehru National Solar Mission
kV	Kilo Volt
kVAh	Kilo-Volt-Ampere-hour
kWh	Kilo Watt hour
LI	Lift Irrigation
LT	Low Tension
MoP	Ministry of Power
MSW	Municipal Solid Waste
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watts
MYT	Multi Year Tariff
NCE	Non-Conventional Energy
NTI	Non-Tariff Income
NTPC	National Thermal Power Corporation Limited
NVVNL	NTPCVidyutVyapar Nigam Limited
PGCIL	Power Grid Corporation of India Limited
PLF	Plant Load Factor
POC	Point of Connection
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
PTR	Power Transformer
PWS	Public Water Supply
RDF	Refuse Derived Fuel
RoCE	Return on Capital Employed
RTC	Round The Clock
SLDC	State Load Dispatch Center
SRLDC	Southern Regional Load Dispatch Center
SRPC	Southern Regional Power Committee
SS	Sub Station
T & D	Transmission and Distribution
ToD	Time of Day

TSERC	Telangana State Electricity Regulatory Commission
TSGENCO	Telangana State Power Generation Corporation Limited
TSTRANSCO	Transmission Corporation of Telangana Limited
ULDC	Unified Load Dispatch and Communication
UMPP	Ultra Mega Power Project

## Glossary

“3<sup>rd</sup> Control Period” refers to the period from FY2014-15 to FY2018-19.

“4<sup>th</sup> Control Period” refers to the period from FY2019-20 to FY2023-24.

“Aggregate Revenue Requirement (ARR)” means the revenue required to meet the costs pertaining to the licensed business; herein Retail Supply Business, for a financial year, which would be permitted to be recovered through tariffs and charges by the Hon’ble Commission.

“Base year” means the financial year immediately preceding the first year of the Control Period.

“Capacity Utilization Factor (CUF)” is the ratio of the actual output from a solar plant /wind plant over the year to the maximum possible output from it for a year under ideal conditions.

“Class Load Factor” of a consumer category is the ratio of average demand to the Peak Energy demand in MW which is derived from the category load shapes. It is calculated as

$$\text{Class Load Factor} = \frac{\text{Average demand of the consumer category in MW}}{\text{Peak Demand of the Consumer Category in MW}}$$

“Coincident Demand” in MW of a consumer category means the estimated contribution of that category to the system peak demand i.e. the load of the corresponding consumer category at the system peak hour.

“Coincidence Factor” of a consumer category represents the percentage of coincident demand of the category in the peak demand of the respective category. Coincidence factor is calculated as

$$\text{Coincidence Factor of a consumer Category} = \frac{\text{Coincident Demand of the Consumer Category in MW}}{\text{Non Coincident Demand of the Consumer Category in MW}}$$

“Compound Annual Growth Rate (CAGR)” is the mean annual growth rate over a specified period of time longer than one year. CAGR is calculated as

$$N \text{ year CAGR} = \left( \frac{\text{Final Value}}{\text{Initial Value}} \right)^{\frac{1}{N}} - 1$$

“Control Period” means a multi-year period fixed by the Hon’ble Commission from time to time, usually 5 years.

“Current year” refers to FY2020-21.

“Date of Commercial operation or CoD” means the date declared by the generator after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run after notice to the beneficiaries and in relation to the generating station means the date of commercial operation of the last unit or block of the generating station.

“Distribution Business” means the business of operating and maintaining a distribution system for supplying electricity in the area of supply of the Distribution Licensee in terms of the Distribution and Retail Supply License.

“Distribution Losses” means aggregate technical & commercial losses from LT level to 33kV voltage.

“EHT” refers to a voltage of 132kV and above.

“Ensuing year” refers to FY2021-22.

“External Losses” means the losses pertaining to the network external to the State periphery.

“H1” refers to the first half i.e. April to September of a financial year.

“H2” refers to the second half i.e. October to March of a financial year.

“HT” refers to a voltage of 11kV and above but less than 132kV.

“Licensee” hereafter refers TSSPDCL.

“Load Shapes” of a consumer category means hourly load curve or load profile of that category illustrating the variation in demand over a specific time.

“LT” refers to a voltage of 415 V (Three phase Supply) & 230V (Single phase Supply).

“Non-Coincident Demand” in MW of a particular consumer category means the peak demand of that consumer category, irrespective of the time of day.

“Non-Tariff Income (NTI)” means income relating to the licensed business other than from tariffs for wheeling and retail sale, and excludes any income from other business and income on account of Fuel Surcharge Adjustment, Cross-Subsidy Surcharge and Additional Surcharge.

“Plant Load Factor (PLF)” for a given period means the total sent-out energy corresponding to scheduled generation during such period, expressed as a percentage of sent-out energy corresponding to installed capacity in that period.

“Point of Connection Charges (POC)” means the Inter State Transmission Charges to the Designated Inter State Transmission Customers which depends on location of the node in the grid and is calculated as per the relevant regulations notified by CERC.

“Retail Supply Business” means the business of sale of electricity by the Licensee to consumers, in accordance with the terms of the Distribution and Retail Supply License.

“Scheduled Generation” at any time or for any given period or time block means the schedule of generation in MW ex-bus given by the State Load Dispatch Centre.

“Transmission Losses” means the losses pertaining to the network at a voltage level of 132kV and above.

## 1 INTRODUCTION

### 1.1 Factual Background

- 1.1.1 Southern Power Distribution Company of Telangana Limited (TSSPDCL) [formerly Central Power Distribution Company of Andhra Pradesh Limited, APCPDCL] was incorporated under the Companies Act, 1956 as a public limited company and has Distribution and Retail Supply of Electricity license (License No.13 of 2000), granted by Hon'ble Commission (former APERC) in O.P.No.643/2000, dated 29.12.2000 u/s 15 of Andhra Pradesh Electricity Reform Act, 1998 effected from 1<sup>st</sup> April, 2001, all conditions as contained in License shall be deemed to have been specified u/s 16 of the Electricity Act, 2003 as per Hon'ble Commission (former APERC) notified Regulation 8 of 2004.
- 1.1.2 In terms with Schedule XII to the Andhra Pradesh Reorganisation Act, 2014 [APR Act], which came into effect on 2<sup>nd</sup> June, 2014, the Anantapur and Kurnool districts, which fall within the jurisdiction of the APCPDCL have been reassigned to the Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL). Accordingly two (2) operating circles of the Licensee viz., Anantapur and Kurnool were demerged and assigned to APSPDCL effective on the appointed date i.e., 02.06.2014. Assets and Liabilities of the Licensee were bifurcated in terms of Transfer Guidelines issued by united State of Andhra Pradesh in G.O.Ms.No.24, dated 29.05.2014.
- 1.1.3 In pursuant to the provisions of Section 13 and other applicable provisions of Companies Act, 2013 the name of the company has been changed from APCPDCL to **Southern Power Distribution Company of Telangana Limited** (TSSPDCL) w.e.f. 27.05.2014. The Hon'ble Commission in its order dated 17<sup>th</sup> March, 2017 in O.P No. 3 of 2017, has allowed the name of the license to be the Southern Power Distribution Company of Telangana State Limited (TSSPDCL) in place of the Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL).

### 1.2 Multi-Year Tariff (MYT) Principles

- 1.2.1 The Hon'ble Commission (former APERC) has notified Regulation 4 of 2005 laying down the principles for determination of Aggregate Revenue Requirement (ARR) for Retail Supply Business which will be the basis for the fixation of the Tariff/Charges for retail sale of electricity including surcharges. This Regulation introduced Multi-Year-Tariff (MYT) framework.
- 1.2.2 The Hon'ble Commission (TSERC) has notified Regulation 1 of 2014 on 10.12.2014 (Adoption of Previously Subsisting Regulations, Decisions, Directions or Orders, Licenses and Practice of Directions) wherein clause 2 stipulates 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) 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 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, dt.26-07-2014 constituting the Commission.”*

- 1.2.3 As such, all Regulations notified by erstwhile APERC will continue to apply for the state of Telangana.

### **1.3 Past Control Period Filings**

- 1.3.1 As per the Regulation 4 of 2005, the licensee is required to file the ARR along with Filing for Proposed Tariff (FPT) for Retail Supply Business for a period of 5 years called control period for approval by the Hon'ble Commission not less than 120 days before the commencement of 1<sup>st</sup> year of the control period. The 3<sup>rd</sup> control period covers the years from 2014-15 to 2018-19.

- 1.3.2 However, the licensee expressed its inability to make filings for Retail Supply Business for entire 3<sup>rd</sup> control period in view of uncertainty involved in projections of generation availability, power purchase cost viz., a) projections of quantum of power to be purchased from various sources as well as in cost; and b) demand side uncertainties. Moreover, due to the regulatory objectives (i.e., incentivize the performance of the licensee based on its achievement vis-à-vis targets; and providing tariff certainty to the consumers) of MYT regime are not being met, instead sought approval of the Hon'ble Commission to allow it to file the ARR for Retail Supply Business on annual basis, year after year, i.e., for FY2014-15, for FY2015-16, for FY2016-17, for FY2017-18 and for FY2018-19. The Hon'ble Commission has been kind enough in granting permission for filing ARR on annual basis vide proceedings No.Secy./DD(EAS)/S-98/260/ 13, dated 01.11.2013 for FY2014-15, vide letter No.TSERC/DD(T-Engg)/T-03 of 2014/D.No./14, dated 15.12.2014 for FY2015-16, vide letter No.TSERC/Tariff/DD(T-Engg)/T-01of 2015/D.No.751/15, dated 28.09.2015 for FY2016-17 and vide letter no.TSERC/Tariff/DD(T-Engg)/T-03/2015/D.No.708/16, dated 19.11.2016 for FY 2017-18. Accordingly, the Licensee has filed the ARR filings with the Hon'ble Commission. And FY 2018-19 being the last year of the 3rd control period, the licensee has filed the ARR for one year.

### **1.4 Present Filings**

- 1.4.1 With regard to current filings of Retail Supply Business for the 4<sup>th</sup> control period i.e., FY 2019-20 to FY 2023-24, the Licensee represented vide letter dated 08.11.2018 that the requirements of Multi-Year-Tariff (MYT) filing should be waived and sought permission of the

Hon'ble Commission for filing ARR and Tariff proposals on annual basis from here on and specifically for 1<sup>st</sup> year of 4<sup>th</sup> control period. The Licensee explained that the uncontrollable factors and significant uncertainties involved are likely to continue in the coming years as well.

- 1.4.2 The Hon'ble Commission has informed vide proceedings No. S/RO-1/5/Secy-1/D.No. Dated: 20.11.2018, that the Commission may consider the request of the Licensees to permit to file the ARR and Retail supply filings for one year i.e, for FY2019-20 only instead of entire 4<sup>th</sup> control period subject to filing of True-ups for Distribution Business for 1<sup>st</sup> & 2<sup>nd</sup> control periods duly bifurcating the assets of Ananthapur & Kurnool districts. As per the directions of the Hon'ble Commission, the Licensee has filed the True-ups for Distribution Business for 1<sup>st</sup> & 2<sup>nd</sup> control periods on 28.01.2020 duly bifurcating the assets of Ananthapur & Kurnool districts as a part of additional information to the Filings for ARR and Wheeling Tariff Proposals for 4<sup>th</sup> MYT Control Period.
- 1.4.3 The Licensee in its ARR petition for FY 2019-20, FY2020-21 and FY 2021-22 humbly requested the Hon'ble Commission to permit annual filing of ARR for the FY2019-20 to FY2021-22 along with filing of proposed tariffs for FY2021-22, as the inability expressed by the licensee to make filings for Retail Supply Business for 4<sup>th</sup> control period due to uncontrollable factors and significant uncertainties explained are likely to continue in the coming years. The petition is still pending for approval from the Honble Commission.
- 1.4.4 Further the licensee vide its letter dated 28.09.2021 requested 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 Honble Commission has allowed the licensee to file retail supply tariff petitions for the remaining two years in the present control period that is 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.
- 1.4.5 The current filings follows the principles laid down in Regulation 4 of 2005 r/w its first amendment Regulation 1 of 2014 for determination of Aggregate Revenue Requirement (ARR) for Retail Supply Business for the year 2022-23 (4<sup>th</sup> year of the 4<sup>th</sup> control period) u/s 62 of the Electricity Act, 2003 and consists the following:-
- a) ARR for Retail Supply Business for FY2022-23.
  - b) Revenue projections at current tariffs including Cross subsidy surcharge and Additional Surcharge for Retail Supply Business for FY2022-23.
  - c) Cost of Service for the FY2022-23.

## 1.5 Filing Contents

1.5.1 The application is structured in six (6) sections as given in table below:

**Section 1:** Provides factual background about TSSPDCL (Licensee). About these filings under regulatory MYT framework. The summary and the salient features of these filings.  
(*this section*)

**Section 2:** Provides performance analysis of the Licensee during the previous year by considering certain key operational and financial parameters.

**Section 3:** Provides the sales forecast and power procurement plan of Licensee viz., Sales Forecast, Load Forecast and Power Procurement Plan for FY 2022-23.

The sales forecast is used to determine the energy input required for ensuing year for meeting the demand. For sales forecast of second half of FY2021-22 and for the year 2022-23, historical sales of Licensee has been considered to arrive at growth trend.

Energy requirement is arrived by grossing up the projected sales with Hon'ble TSERC approved Transmission & Distribution (T&D) losses.

Discusses the methodology and assumptions considered for estimating the quantum and corresponding cost of power purchase. The power procurement plan is based on the availability of the generation sources during the ensuing year to meet the demand expected during various months

**Section 4:** Provides actual expenditure for FY2020-21 and Expenditure Projections for FY2021-22 and FY2022-23 consisting of:-

- Power Purchase and Procurement Cost
- Transmission and PGCIL Charges
- SLDC Charges
- Distribution Cost
- Interest on Consumer Security Deposits
- Supply Margin
- Other Costs
- ARR for Retail Supply Business for FY 2022-23

**Section 5:** Provides the details of actual revenue FY 2021-22 and revenue estimated with current tariffs for FY2021-22 and FY2022-23 including revenue from Cross Subsidy and Additional Surcharge. It also contains the actual revenue gap for FY2020-21 and projected Revenue gap with current tariffs for FY2021-22 & FY2022-23.

**Section 6:** Presents the estimated Cost of Service (CoS) for various consumer categories of the Licensee for the year 2022-23 by classifying the costs into demand, energy and customer related components and then apportioning the same to various consumer categories.

## 2 EFFICIENCY & PERFORMANCE

### 2.1 Operational Performance

The performance of the licensee is analyzed duly considering certain key operational and financial parameters during FY2020-21 and FY 2021-22(estimates).

#### 2.1.1 Energy Balance

Particulars	2020-21 (Actuals)		2021-22 ( Estimate)	
	MU	%	MU	%
Metered Sales	26529.83	62.51	31268.30	66.38
LT Agricultural Sales	11744.84	27.67	11647.65	24.73
<b>Total Sales</b>	<b>38274.67</b>	<b>90.18</b>	<b>42915.95</b>	<b>91.11</b>
<b>ADD:</b> Distribution Losses (incl. EHT sales)	4167.84	9.82	4188.14	8.89
<b>Energy required at Discom level</b>	<b>42442.52</b>	<b>100.00</b>	<b>47104.08</b>	<b>100.00</b>
Distribution Losses (excl. EHT sales)	4167.84	10.97	4188.14	10.07

#### 2.1.2 Metered Sales

In FY 2020-21, the metered sales were decreased by 2561 MU mainly due to lockdowns imposed due to Covid-19 pandemic. In the LT system, decline of sales reflected in LT-II Non-domestic combined with slight increase in LT-I Domestic category led to lower sales by 220 MU compared to previous year FY 2019-20 sales. There was a huge decline of consumption evinced across all categories and voltages in the HT except CPWS category resulting in lesser sales by 2351 MU than the preceding year.

In the current year FY 2021-22, the metered sales for H1 is increased by 17.6% compared to previous year, accordingly 17.8% overall growth projected for FY2021-22.

#### 2.1.3 Agricultural sales

In FY 2020-21, the agricultural consumption was 11744.84 MU which is higher than the previous year by 926 MU. This is due to increase in number of connections released compared to previous year. The number of agricultural services released in FY 2020-21 is 48154 as against 28,367 during FY 2019-20.

In the current year 2021-22, the total sales in the first half increased by 13.59% over the first half of FY20-21. Further, against the target for release of agricultural services

for FY2021-22 which was 76,260 nos, the number of services released till September 2021 is 19,248 nos. Due to very good rainfall during monsoon season in the current year and expecting improvement in ground water levels, the agricultural consumption expected to be at 11647 MU.

#### 2.1.4 Distribution Loss

Year	Loss Target as per ERC		Actual		No. of 11 kV T&MHQ feeders for which energy audit done	11 kV 2 MVAR capacitor banks added to the system	Additional 33/11 kV sub-stations charged
	Excl. EHT	Incl. EHT	Excl. EHT	Incl. EHT			
2010-11	14.71	13.1	17.34	15.67	1644	108	90
2011-12	13.86	12.34	18.13	16.36	1768	32	67
2012-13	13.67	12.18	16.28	14.78	1871	77	70
2013-14	12.84	11.44	14.63	13.20	1988	91	60
2014-15	-	-	14.19	12.92	1738	50	81
2015-16	11.63	10.57	12.65	11.59	1764	63	105
2016-17	10.94	9.79	12.45	11.38	1955	137	63
2017-18	10.78	9.70	12.45	11.35	2000	46	61
2018-19	10.81	9.63	11.55	10.34	2248	181	105
2019-20	-	-	10.79*	9.43*	2409	91	29
2020-21	-	-	10.67*	9.36*	2461		
2021-22 H1	-	-	10.06*	8.75*	2477		

\*Losses including Open Access sales

As seen from the above table, the actual losses for the FY 2020-21 are 9.36 % which is reduced compared to previous year loss. However, 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.

### 2.1.5 Energy Conservation Measures

Licensee has taken the following initiatives for Energy Conservation during FY 2019-20.

- Energy Audit of 80 Towns feeders and 166 Mandal Head Quarter feeders.

The theft of power was arrested by regular inspections by the DPE wings and special intensive inspections with the DPE & Operation Wings of all circles. During the FY 2019-20 in both HT & LT connections, total 1,55,409 no. of cases were booked in Pilferage.

## 2.2 Financial Performance

The following table provides an overview of TSSPDCL's financial performance for the year 2020-21:

### 2.2.1 Financial Performance Summary

The financial results of the Company for the year ended on 31<sup>st</sup> March, 2021 are as follows:

Particulars	2020-21 Actual
Supply Margin	28.31
ROCE/Interest	615.99
<b>Total Financing Cost</b>	<b>644.29</b>
Power purchase	20755.29
Transmission charges	1629.07
PGCIL/ULDC Charges	1066.30
SLDC Charges	34.60
O&M (Gross)	2611.39
Depreciation	1066.58
Interest on consumer deposits	148.06
Special appropriations for safety measures	0
<i>Less: Expenses capitalized</i>	<i>-82.15</i>
Other Costs	9.67
<b>Total Exp. Incl. Finance cost</b>	<b>27883.11</b>
<b>Total Revenue</b>	<b>20188.84</b>
Non-tariff Income (Distribution Business)	437.72
Non-Tariff Income (Retail Supply Business)	29.98
Revenue at Current Tariffs	19352.97
Cross Subsidy Surcharge & Additional Surcharge	352.34
Revenue from Wheeling	15.84
<b>Regulatory Gap/(Surplus)</b>	<b>7694.26</b>
Govt. Subsidy	1397.5
<b>Net Regulatory Gap/(Surplus)</b>	<b>6296.76</b>

*\*Actual depreciation is after netting of amortization of depreciation on Consumer Contribution assets reflected on Revenue side in P&L a/c.*

The paragraphs below explain the deviations in key elements:

## 2.2.2 Revenue from sale of Electricity

The actual revenue from sale of power of the licensee for 2020-21 is Rs.19353 crore vis-à-vis actuals of the previous year of Rs.20493 crore, which is lower by Rs. 1140 crore. There was a 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.

For the key categories, the category wise actual revenue is tabulated below:

<b>Consumer Categories</b>	<b>2020-21</b>
<b>L.T. Supply</b>	<b>7679.54</b>
Domestic Supply	4210.40
Non-Domestic Supply	2285.28
Industrial Supply	733.49
Irrigation & Agricultural	46.79
LT Others	403.58
<b>H.T. Supply</b>	<b>11673.39</b>
Indl Segregated	7480.19
Ferro-Alloys	66.28
Others	2083.06
Aviation	41.12
Irrigation, Agriculture & CPWS	1539.21
Traction	150.63
HT Others	312.91
<b>Total</b>	<b>19352.94</b>

## 2.2.3 Power purchase cost

In FY2020-21 the actual power purchase cost for TSSPDCL is Rs 20755.30 crores for purchase of energy of 44051.86 MU. The average power purchase cost per unit for FY 2020-21 is Rs 4.71 which is higher than the previous year by 2.15%. The increase of average power purchase cost in FY 2020-21 over the previous year 2019-20 is mainly due to the following reasons:

- Decrease in Hydel generation in FY 2020-21 by 614 MUs effectively increase per unit cost of generation.
- Increase in per unit short term power procurement costs from Rs. 3.71 in FY 2019-20 to Rs. 3.95 in FY 2020-21.
- Increase in TSGENCO fixed costs and increase in variable costs of CGS stations compared to last FY 2019-20.