

Sl No.	Parameter	Actuals as per Filings 2019-20	Actuals as per Filings 2020-21	Actuals as per Filings 2021-22	Actuals as per Filings 2022-23	Actuals as per Filings 2023-24	Approved in 4 CP	Actuals as per Filings in 4 CP	Variation
18	Tariff from others (ISTS lines)	169.50	369.64	52.86	5.01	435.85	809.00	1032.86	223.86
19	Revenue received against the true-up order 2019-20 to 2023-24	0	0	0	-5.01	-435.85	0	-440.86	-440.86
20	<b>Surplus / (Deficit)</b>	<b>-155.34</b>	<b>-174.26</b>	<b>-72.55</b>	<b>350.23</b>	<b>954.86</b>	<b>0.00</b>	<b>902.94</b>	<b>902.94</b>

The detailed calculations are shown in Annexure-II.

b) The methodology of calculation of depreciation component varies from the Companies Act to the APERC Regulation, as detailed below.

- **Companies Act:** Depreciation is charged from the date of acquisition or the date the asset is put to use (COD).
- **APERC Regulation 15.3:** Depreciation is charged from the 1st April of the following year after the asset is put to use.

Due to the above, the difference in Depreciation works out to Rs. 156.81Crores. The details are as follows.

**Table 2: Filings by APTRANSCO in OP**

Fiscal year	Rs in INR	
	Acquisition Value	Depreciation
2018	22,00,95,98,560.97	63,35,19,544.09
2019	5,54,08,91,960.93	7,40,60,611.95
2020	8,36,77,82,829.35	23,79,49,744.95
2021	6,80,41,45,899.99	13,81,85,140.45
2022	10,07,24,24,217.58	27,04,99,067.27
2023	7,65,30,21,092.85	21,39,25,438.57
<b>Total</b>	<b>6044,78,64,561.67</b>	<b>156,81,39,577.29</b> <b>or Rs.156.81Crs</b>

3. Considering the above, the Total True-down amounts to Rs. 902.94 crores + Rs. 156.81 crores = Rs. 1059.75 crores. This True-down represents a revenue surplus and needs to be reimbursed to DISCOMs. APTRANSCO proposes to distribute as per the AP Govt. G.O.Ms No.13 dated 06th April 2020 or as decided by the Commission, as shown in the table below.

<b>Distribution Company</b>	<b>Allocation ratio (%)</b>	<b>Amount (Cr.)</b>
APEPDCL	36.22	383.84
APSPDCL	40.44	428.57
APCPDCL	23.34	247.35
<b>Total</b>		<b>1059.76</b>

APTRANSCO stated that the global COVID-19 pandemic, which lasted from March 2020 to March 2022 in three waves, restricted people from leaving their homes and halted all transport services. That all construction activities were suspended due to the non-availability of workers and lockdown restrictions. Hence, the capital works could not be commenced/taken up/completed as projected/approved, leading to a gap between Approved and Actuals.

#### **Public Notice and Public Hearing**

4. A public notice, along with a copy of the original APTRANSCO petition, was placed on the Commission's website on 28.02.2025, inviting objections/views/suggestions from stakeholders, with a last date on or before 28.03.2025. The Commission directed APTransco to submit its replies on or before 11.04.2025 and informed it that the public hearing on the petition would be held on 09.07.2025. Accordingly, the public hearing was held on 09.07.2025. Views/Objections/Suggestions were received from a few stakeholders (Annexure-1). The DISCOMs stated that they have no objections to the petition.

#### **Views/Objections/Suggestions and Replies of APTRANSCO**

5. The brief summary of the objections and APTRANSCO's response is as follows.

**The views presented by stakeholders** (Sri M. Venugopala Rao and others, and Ms Suamya Vaishnava and WRI India) on three main areas: inflated financial projections, unfair regulatory practices, and lack of transparency.

##### **A. Financial and Capital Expenditure Concerns (CapEx)**

**Inflated Tariffs:** The persistent "true-down" results across multiple control periods strongly suggest that APTRANSCO's financial projections and the Commission's approved tariffs were inflated.

**Massive CapEx Shortfall:** The Commission approved a Regulated Rate Base (RRB) of Rs. 50,341.44 Crores, but APTRANSCO's achieved RRB was Rs. 37,862.98 Crores. This results in a staggering Rs. 12,477.46 Crores deficit in asset capitalisation (uncompleted or undeployed works).

**Financial Paradox:** Despite the huge shortfall in investment, APTRANSCO's



actual Annual Revenue Requirement (ARR) remained almost equal to the approved Rs. 13,782.05 Crores, and its revenue from tariff and other sources actually increased by over Rs. 560 Crores, leading to a suspicion that the utility collected more than was due.

Unexplained Overspending: APTRANSCO's actual expenditure of Rs. 10,285.46 Crores exceeded the approved Rs. 8,794.08 Crores by Rs. 1,491.38 Crores. This overspending, coupled with under-capitalisation, suggests higher costs and accrued Interest During Construction (IDC) due to project delays, thereby requesting that the Commission should have a prudence check.

Project Delay Details: Stakeholders noted a massive shortfall across all voltage lines (e.g., only 147.39 CKM commissioned out of 1201 CKM approved for 400kV lines) and demanded specific disclosure of the affected projects and the resulting effect on the current control period's resource plan.

## **B. Regulatory and Accounting Discrepancies**

Unfair True-Down Practice: The current APERC practice is criticised for being unfair: "true-up" (additional revenue claimed by utilities) is immediately reflected in consumer bills, but "true-down" (excess revenue collected by utilities) is only determined at the end of the entire Multi-Year Tariff (MYT) period, allowing the utility to retain the amount. They advocate for annual true-down determination and direct monthly deduction from consumer bills.

Pension Liability: Stakeholders object to APTRANSCO passing on a significant pension liability of Rs. 1,396.96 Crores (part of the higher O&M costs) to consumers, which they view as a legacy of past institutional failures, suggesting that the government should take over the liability.

Typographical Error: A Rs. 300 Crores discrepancy was identified in Table 4 of the filing for FY 2023-24 Total Revenue, leading to an overstated calculated Surplus.

Unexplained O&M Balance: An approximate Rs. 331 Crores balance in O&M expenditure remains unexplained after accounting for the Rs. 1,396.96 Crores pension provision, which, as a 'controllable' factor, requires a detailed explanation.

## **C. Compliance and Transparency**

APTRANSCO failed to adhere to two key transmission tariff regulations: submitting a statement on the status of compliance with all prior Commission directives (Clause 8.1) and ensuring the prominent public display of the regulatory filings and accompanying spreadsheets on its official website