

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED



RESPONSES TO OBJECTIONS / SUGGESTIONS

On

ARR & Tariff Filings Proposals of Retail Supply Business for FY 2023-24

and

Power Purchase True-Ups for FY 2016-17 to FY 2022-23

Response to the objections of Sri. R. K. Agarwal

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																													
1	<p>ABSENCE OF CONSOLIDATED WORKING EXCEL MODEL: The Licensees have not provided the consolidated working excel model along with the Power Purchase Tariff Petitions for FY 2016-17 to FY 2022-23, the absence of which, hinders the process of stakeholder commentary as well as prudence check process of the Hon'ble Commission.</p>	<p>TS Discoms along with the Power Purchase true up Petitions have submitted Annexures which details the station wise approved and actual power purchase cost. As part of the Additional Information requested by the Hon'ble Commission, TSDiscoms have submitted the working models for year wise Power Purchase True up calculations to the Hon'ble Commission.</p>																																													
2	<p>POWER PURCHASE TRUE UP CLAIMED BY TELANGANA DISCOMS FOR FY 2016-17 TO FY 2022-23: i) The TSSPDCL and TSNPDCL has projected a True up amount of Rs. 9,060.80 Crores and Rs. 2,954.47 Crores respectively for the period from FY 2016-17 to FY 2022-23. The Power Purchase True up Claim along with its treatment proposed by the TSSPDCL and TSNPDCL is provided in the table below:</p> <p>TRUE UP CLAIMED BY PETITIONERS FOR FY 2016-17 TO FY 2022-23 (Rs.Crores)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">TSSPDCL</th> <th style="text-align: center;">FY 17</th> <th style="text-align: center;">FY 18</th> <th style="text-align: center;">FY 19</th> <th style="text-align: center;">FY 20</th> <th style="text-align: center;">FY 21</th> <th style="text-align: center;">FY 22</th> <th style="text-align: center;">FY 23</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>PP True up/ (True Down)</td> <td style="text-align: right;">1,588.32</td> <td style="text-align: right;">936.04</td> <td style="text-align: right;">3,799.05</td> <td style="text-align: right;">3,900.32</td> <td style="text-align: right;">3,230.80</td> <td style="text-align: right;">6,372.00</td> <td style="text-align: right;">1,270.39</td> <td style="text-align: right;">21,096.92</td> </tr> <tr> <td>Additional Support by GoTS</td> <td style="text-align: right;">1,583.83</td> <td style="text-align: right;">908.79</td> <td style="text-align: right;">1,680.00</td> <td style="text-align: right;">1,400.00</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">5,572.62</td> </tr> <tr> <td>Loss Funding</td> <td style="text-align: right;">235.01</td> <td style="text-align: right;">392.48</td> <td style="text-align: right;">1,241.82</td> <td style="text-align: right;">2,470.12</td> <td style="text-align: right;">2,124.00</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">6,463.43</td> </tr> <tr> <td>Net True Up/(True Down)</td> <td style="text-align: right;">-230.52</td> <td style="text-align: right;">-365.2</td> <td style="text-align: right;">877.23</td> <td style="text-align: right;">30.20</td> <td style="text-align: right;">1,106.80</td> <td style="text-align: right;">6,372.00</td> <td style="text-align: right;">1,270.39</td> <td style="text-align: right;">9,060.87</td> </tr> </tbody> </table>	TSSPDCL	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total	PP True up/ (True Down)	1,588.32	936.04	3,799.05	3,900.32	3,230.80	6,372.00	1,270.39	21,096.92	Additional Support by GoTS	1,583.83	908.79	1,680.00	1,400.00	-	-	-	5,572.62	Loss Funding	235.01	392.48	1,241.82	2,470.12	2,124.00	-	-	6,463.43	Net True Up/(True Down)	-230.52	-365.2	877.23	30.20	1,106.80	6,372.00	1,270.39	9,060.87	<p>No comments</p>
TSSPDCL	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total																																							
PP True up/ (True Down)	1,588.32	936.04	3,799.05	3,900.32	3,230.80	6,372.00	1,270.39	21,096.92																																							
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TSNPDCI	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total
PP True up/ (True Down)	715.9 1	672.26	1,216.5 5	1,752.0 2	1,710. 43	2,417. 81	- 369. 10	8,115.88
Additional Support by GoTS	678.7 9	389.48	720.00	600.0 0	-	-	-	2,388.27
Loss Funding	75.42	156.05	762.86	558.1 5	1,220. 18	-	-	2,772.66
Net True Up/(True Down)	-38.30	126.73	-266.31	593.87	490.2 5	2,417.8 1	- 369.1 0	2,954.95

Both Discoms	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total
PP True up/ (True Down)	2,304. 23	1,608. 30	5,015. 60	5,652. 34	4,941. 23	8,789. 81	901.2 9	29,212. 80
Additional Support by GoTS	2,262. 62	1,298. 27	2,400. 00	2,000. 00	-	-	-	7,960.8 9
Loss Funding	310.4 3	548.5 3	2,004. 68	3,028. 27	3,344. 18	-	-	9,236.0 9
Net True	-	-	610.9	624.0	1,597.0	8,789.8	901.2	12,015.

	Up/(True Down)	268.8	238.5	2	7	5	1	9	82	
		2	0							
	ii) The Objections in respect of the True up claim made by the Petitioners from FY 2016-17 to FY 2022-23 are summarised below:									
3	NON-ADHERENCE TO STATUTORY TIMELINES FOR ARR FILING AS PER REGULATIONS FOR FY2019-20, FY2020-21 AND FY2021-22 BY TELANGANA DISCOMS:									
	Financial Year	Timeline for ARR Filing as per Regulations	Application filed for Condonation of Delay	Date of Actual ARR filed by TS Discoms	Reason submitted for non-adherence to statutory timelines					
	2018-19	By 30.11.2017	N/A	ARR Petition on 15.12.2017 Tariff Proposals on 21.12.2017	N/A					
	<p>For FY 2018-19, TSSPDCL on behalf of both the Discoms had requested the Hon'ble Commission for additional time for submission of ARR citing the reasons for the same and the Hon'ble Commission vide Lr.No.S/R.O-1/4/R.O.1/D.No.723 Dated:05.12.2017 condoned the delay in filing the ARR for FY 2018-19.</p> <p>TS Discoms would like to state that they have been filing the ARR petitions, on an annual basis, before the Hon'ble Commission (TSERC) until FY 2018-19. From FY 2019-20 onwards, the Discoms have not filed the ARR petitions before the Hon'ble TSERC, due to the following reasons:</p> <ul style="list-style-type: none"> • Enforcement of Model Code of Conduct in the State of Telangana in view of elections for Telangana Assembly. • Hon'ble TSERC was not operational from 9th Jan 2019, after the Chairman of Hon'ble TSERC demitted office after attaining the age of 65 years. • Enforcement of Model Code of Conduct in the State of Telangana from 10.03.2019 till 23.05.2019 (Lok Sabha election). • Pending information from ICAD department on Lift Irrigation (LI) schemes. • Pending finalisation of the annual accounts for the base year in the Board Meeting, whose values are considered for revisions in the cost estimates of ARR for Distribution Business. • Issuance of model code of conduct for the Municipal elections from 23.12.2019 to 25.01.2020 • Further extension in view of preparation of tariff proposals in accordance to the MoP recommendations on Tariff Rationalisation 									

2019-20	By 30.11.2018	I.A. No.03 of 2019 filed in O.P. No. 21 & 22 of 2017	31.03.2021*	<p>Relevant extracts of Commission's Interim Order dt. 06.11.2019 produced herein:</p> <p><i>"Whereas TSDISCOMs have filed petition for extension of time for filing of ARR & Tariff proposals along with additional surcharge and cross subsidy surcharge for FY 2019-20 for retail supply business and ARR & Tariff proposals for distribution business for 4th MYT control period (FY 2019-20 to FY 2023-24) by 31.03.2019, in view of certain difficulties faced by the Discoms."</i></p>	<p>process.</p> <ul style="list-style-type: none"> • Due to imposition of Lockdown in the State by GoTS due to spread of pandemic COVID-19, which impacted the consumption of electricity by various sectors, the licensees intended to file ARR duly including the impact of lockdown due to COVID-19 pandemic. • Enforcement of Model Code of Conduct from 17th Nov 2020 to 4th Dec 2020 in view of GHMC elections. • Certain unavoidable circumstances viz; uncertainty in commissioning of the LI pumps and delay in receipt of information of power availability and cost there on from Central Generating Stations, which have significant impact on the demand projections and overall ARR respectively. <p>However, ARR for FY 2019-20, FY 2020-21, FY 2021-22 was submitted before the Hon'ble Commission on March 31, 2021, which was dismissed by the Hon'ble Commission due to non submission of tariff proposals by the TS Discoms.</p>
Financial Year	Timeline for ARR Filing as per Regulations	Application filed for Condonation of Delay	Date of Actual ARR filed by TS Discoms	Reason submitted for non-adherence to statutory timelines	<p>As also pointed out by the Objector, TS Discoms have been seeking timely extension on tariff filing from the Hon'ble Commission on the grounds mentioned above.</p> <p>In view of the above reasons, TS Discoms request the Hon'ble Commission to consider the True up Petitions filed by them.</p>

					<p><i>“The licensee humbly submits before the Hon’ble Commission that the licensee is in the process of finalizing the ARR, tariff proposals, cross subsidy surcharge and additional surcharge proposals for FY 201920”. (Para 2)</i></p>
2020-21	By 30.11.2019	I.A. No.08 of 2020 filed in O.P. No. 21 & 22 of 2017, filed on 29.02.2020.	31.03.2021*	<p>Relevant extracts of Commission’s Interim Order dt. 20.03.2020 produced herein:</p> <p>“Whereas, TSDISCOMs have filed miscellaneous petition on 29.02.2020 seeking extension of for filing of ARR & tariff proposals, cross subsidy surcharge and additional surcharge for FY 2020 - 21 for retail supply business till 31.03.2020 as the finalisation of lift irrigation demand projections and rationalisation of tariffs is in progress which finalisation is very crucial in submission of for and ARR & tariff proposals for FY 2020-</p>	

				21. The licensee submits that the licensee is in the process of finalising the ARR, tariff proposals, cross subsidy surcharge and additional surcharge proposals for retail supply business to FY 2020 - 21".
2021 - 2022	By 30.11.2020	I.A. No.4 of 2021 filed in O.P. No. 21 & 22 of 2017, filed on 08.03.2021.	31.03.20 21*	Relevant extracts of Commission's Interim Order dt. 27.03.2021 produced herein: <i>"Further, Model Code of Conduct has come into force from 11.02.2021 in view of Biennial Elections to Telangana State Legislative Council and it will be in existence till 22.03.2021".</i>
<p>*Note-1: Petition rejected by TSERC vide Order dt. 22.12.2021 in O.P. (SR) No. 14 of 2021 & O.P. (SR) No. 15 of 2021 on account of the Petition not being accompanied by FPT for FY 2021-22 in derogation of Regulation No. 5 of 2005. Furthermore, the time period for which they sought was already lapsed.</p> <p>*Note-2: It is pertinent to note that the Discoms have only undertaken ARR and Tariff Proposal for FY 2022-23 only pursuant to the Hon'ble</p>				

	<p>Commission's direction in s Order dated 18.09.2020 in O.P.No.23 of 2020.</p> <p>1. The Telangana Discoms have failed to meet the regulatory requirements of timely filing of ARR for FY 2019-2020, FY 2020-21, and FY 2021-22, leading to the accumulation of abnormal (alleged) true-up gaps, which the TS Discoms seek to pass on to the consumers in FY 2023-24.</p> <p>2. It is submitted that the TS Discoms ought not be allowed to recover the entire amount in True-up while it has continued to make a mockery of the relevant laws and regulations.</p>	
	<p>A.</p>	
	<p>3. A preliminary analysis of the ARR filings undertaken by the Discoms for the ARR, Tariff proposal and True-up for FY 2019-20, 2020-21 and 2021-22 indicates gross violation of the following provisions of:</p> <p>B. APERC (Terms and Conditions for determination of Tariff for Wheeling and Retail Supply of Electricity) Regulation No. 04 of 2005;</p> <p>C. APERC Regulation No. 01 of 2014;</p> <p>D. APERC Conduct of Business Regulations, 2015; Electricity Act, 2003</p>	<p>TS Discoms have replied to the detailed objections of the Objector in following replies:</p>
	<p>4. <u>APERC (Terms and Conditions for determination of Tariff for Wheeling and Retail Supply of Electricity) Regulation No. 04 of 2005:</u></p>	
	<p>4.1 Non-submission Power Procurement Plans by Discoms for Control Period FY 2019-2024:</p>	<p>___TS Discoms submit that they have undertaken activities for submission of Power Procurement Plan for the 4th Control Period FY 2019-20 to FY 2023-</p>

<p>As per Regulation 12.1 of Regulation No. 04 of 2005, a Discoms shall be allowed to recover the cost of Power it procures for supply to consumers based on the Commission-approved Power Procurement Plan covering each year of the Control Period. Accordingly, the Discoms should be disallowed from recovering the entire Power Purchase cost in true-up when the Power Procurement Plans for each financial year of the Control Period itself has not been timely filed for the Hon'ble Commission's approval.</p>	<p>24.However, on account of the same reasons for which the ARR and Tariff Petitions for FY 2019-20, FY 2020-21 and FY 2021-22 were delayed,TS Discoms were not able to file the Power Procurement Plan.</p>
<p>4.2 It is pertinent to reproduce the extract of the Hon'ble Commission's Order dt. 29.04.2020 pertaining to ARR and Wheeling Tariffs for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) for TSSPDCL and TSNPDCL: <i>"Commission's Views</i></p> <p><i>3.5.14 Regulation No.4 of 2005 stipulates the Distribution Licensees to file their Resource Plans on 1st April of the year preceding the first year of the Control Period. The Resource Plan shall inter-alia contain the sales forecast, load forecast, power procurement plan, and Distribution Plan (Capital Investment Plan) consistent with the requirements of the Commission"s Guidelines on Load Forecast and Resource Plan</i> <i>(Distribution Plan and Power Procurement Plan). Further, the Resource Plan as approved by the Commission shall be adopted by the Distribution Licensees in their Multi-Year and Annual filings for the Control Period.</i></p> <p><i>3.5.15 The Resource Plans for 4th Control Period from FY 2019-20 to FY 2023-24 and 5th Control Period from FY 2024-25 to FY 2028-29 was to be filed on 01.04.2018. The DISCOMs have filed their Resource Plans for 4th Control Period on 31.10.2018. In the Resource Plans submitted, the DISCOMs stated that the formulation</i></p>	

	<p><i>of power procurement plan in coordination with various generators is under process and the same shall be submitted at an early date. In replies to stakeholders" comments, the DISCOMs submitted that the power procurement plan would be submitted shortly. The DISCOMs have not submitted the power procurement plan in compliance with the Guidelines. Further, the DISCOMs in seeking extension of time for filing of MYT Petitions for 4th Control Period cited the reasons of finalisation of annual accounts and non-receipt of information of Lift Irrigation schemes from Irrigation Department.</i></p> <p><i>3.5.16 The Commission is of the considered view that as the filing of MYT Petitions for 4th Control Period has already been delayed, further delay on determination of MYT for 4th Control Period is undesirable for want of approval of Resource Plans. The DISCOMs have submitted their Capital Investment Plans for 4th Control Period in the instant Petitions. On prudence check of the same, the Commission has approved the Capital Investment Plan for 4th Control Period in this Order as detailed in Chapter 5."</i></p>	
	<p>5. <u>APERC Regulation No. 01 of 2014:</u></p> <p>5.1 As per the preamble appended to this Regulation, in view of the complexities involved in forecasting the Sales and Revenue Requirement of Retail Supply Business, on the behest of the TS Discoms themselves, the TS Discoms were allowed to file ARR and Tariff Proposals on an annual basis.</p>	<p>TS Discoms submit that the Hon'ble Commission has rightfully admitted the complexities involved in forecasting the Sales and Revenue Requirement of Retail Supply Business and accordingly has allowed to file ARR and Tariff Proposals on an annual basis till now.</p>
	<p>5.2 It is noteworthy to mention that the cost of power procurement constitutes around 75% of total cost of ARR and since the quantum of variation on account of the same each year may be high, henceforth vide this Regulation, cost recovery was provided on an annual basis with a view to neither burden the consumers nor the Licensee.</p>	

<p>5.3 It is evident from the Table above, that the TS Discoms are in clear cut violation of the APERC Regulation No. 01 of 2014 on account of non-filing of complete ARR and Tariff Proposals for FY 2019-20, FY 2020-21 and FY 2021-2022, and now wishes to claim entire variation on account of power purchase cost in True-up of afore-mentioned period on the basis of ARR determined for FY 2018-19.</p>	<p>TS Discoms would like to state that they have been filing the ARR petitions, on an annual basis, before the Hon'ble Commission (TSERC) until FY 2018-19. From FY 2019-20 onwards, the Discoms have not filed the ARR petitions before the Hon'ble TSERC, due to the following reasons:</p> <ul style="list-style-type: none"> • Enforcement of Model Code of Conduct in the State of Telangana in view of elections for Telangana Assembly. • Hon'ble TSERC was not operational from 9th Jan 2019, after the Chairman of Hon'ble TSERC demitted office after attaining the age of 65 years. • Enforcement of Model Code of Conduct in the State of Telangana from 10.03.2019 till 23.05.2019 (Lok Sabha election). • Pending information from ICAD department on Lift Irrigation (LI) schemes. • Pending finalisation of the annual accounts for the base year in the Board Meeting, whose values are considered for revisions in the cost estimates of ARR for Distribution Business. • Issuance of model code of conduct for the Municipal elections from 23.12.2019 to 25.01.2020 • Further extension in view of preparation of tariff proposals in accordance to the MoP recommendations on Tariff Rationalisation process. • Due to imposition of Lockdown in the State by GoTS due to spread of pandemic COVID-19, which impacted the consumption of electricity by various sectors, the licensees intended to file ARR duly including the impact of lockdown due to COVID-19 pandemic. • Enforcement of Model Code of Conduct from 17th Nov 2020 to 4th Dec 2020 in view of GHMC elections. • Certain unavoidable circumstances viz; uncertainty in commissioning of the LI pumps and delay in receipt of information of power availability and cost there on from Central Generating Stations, which have significant impact on the demand projections and overall ARR respectively.
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		<p>As also pointed out by the Objector, TS Discoms have been seeking timely extension on tariff filing from the Hon'ble Commission on the grounds mentioned above.</p> <p>In view of the above reasons, TS Discoms request the Hon'ble Commission to consider the True up Petitions filed by them.</p>
	<p>5.4 It is pertinent to mention the limited scope of Regulation 1 of APERC Regulation No. 01 of 2014: <i>"This Regulation will only be applicable as long as the Tariff for Retail Supply Business is filed on an annual basis"</i>.</p>	
	<p>5.5 Since, the Discoms have failed to undertake annual filing of ARR for FY 2019-20, FY 2020-21, and FY 2021-2022, accordingly their true-up claims with respect to power purchase cost variation are liable to be rejected.</p>	
	<p>6. <u>Regulation 24 of the Conduct of Business Regulations, 2015 and Section 94 of EA 2003:</u></p> <p>6.1 Regulation 24 of the Conduct of Business Regulations, 2015 and Section 94 of EA 2003, empowers the Hon'ble Commission to pass such interim Orders as it deems fit in accordance with the Act. However, there is a mandate on the Commission under Section 86 of EA 2003 to ensure <i>transparency</i> in exercise of its functions and powers.</p>	<p>TS Discoms would like to state that it is unfair on the part of the objector to question the intent of the Hon'ble Commission on performing its statutory duties. TS Discoms have made submissions explaining the reasons for delay in submission of the ARR and tariff filings for FY 2019-20 to FY 2021-22 to the Hon'ble Commission and the Hon'ble Commission after considering the same and after being satisfied only has issued interim Orders to extend the tariff approved for FY 2018-19 to the period from FY 2019-20 to FY 2021-22.</p>
	<p>6.2 From the relevant TSERC's Order as encapsulated in the Table above, it is apparent that the Discoms have failed to provide any concrete rationale for its inability to file ARR and Tariff Proposals. Any communication on the subject between the Discom and Commission is also not available for public scrutiny;</p>	
	<p>6.3 In such interim Proceedings, neither there were any Respondents, nor</p>	

	<p>any Stakeholders involved. There is nothing to indicate as to why there was even a need of extension by the Discoms in filing of the ARR for FY 2019-2020; 2020-2021 and 2021-22 in order to assess the veracity of the Discom's claims and why the same was subsequently allowed</p>	
	<p>6.4 Further, the TS Discoms even failed to provide a time period by which they expected to fulfil the ARR and Tariff filings for the relevant years as an apparent attempt to evade the regulatory mandates and timelines;</p>	<p>TS Discoms submit that timelines stipulated for various activities as per the regulatory framework could not be followed on account of the consequent events which are themselves the reasons which are submitted by the TS Discoms in the above reply.</p>
	<p>6.5 The ARR and Tariff Proposals for a particular FY are to be filed by November of the previous year – therefore, <i>at least 120 days</i> are available to the Hon'ble Commission for determination of RST Order. However, all the three IAs asking for extension for filing of ARR were made 3-4 months post the expiry of the statutory timeline for the same and hence ought not to have been allowed;</p>	<p>In view of the above, TS Discoms request the Hon'ble Commission to consider the True up Petitions filed by them.</p>
	<p>6.6 While allowing the extension to the TS Discoms vide the relevant Interim Order for filing of the ARR and Tariff proposals for FY 2019-2022, the Hon'ble Commission vide Interim Orders dt. 06.11.2019, 20.03.2020 and 27.03.2021 had directed the DISCOMs to file the regular Petition for determination of fresh retail supply tariff, cross-subsidy and additional surcharged immediately for FY 2019-20, 2020-21 and 2021-22 respectively.</p>	<p>As regards to the Hon'ble APTEL's direction, TS Discoms submit that Regarding the delay in ARR proposals, TS Discoms would like to state that they have been filing the ARR petitions on annual basis before the Hon'ble Commission (TSERC) until FY 2018-19 without any delay. Further, for the period in which the Petitions could not be filed, TS Discoms have also not claimed any carrying cost.</p>
	<p>6.7 However, it is evident that the same was not complied with by the Discoms till April of 2021 (by which time, the period for which it had been sought had already lapsed);</p>	
	<p>6.8 Furthermore, nowhere in the Orders issued by the Hon'ble Commission, has it been indicated that the Discoms are at liberty to extend the ARR for FY 2018-19 for the entire period of 2019-2022 and</p>	

	<p>then without any fresh ARR determination for the latter periods be allowed to recover the accumulated revenue gap in true-up and then unnecessarily burden the consumers</p>	
	<p>6.9 This amounts to a gross violation of Hon'ble ATE Direction directives in O.P. No. 1 of 2011: <i>"57. This Tribunal has repeatedly held that regular and timely truing-up expenses must be done since: (b) The burden/benefits of the past years must not be passed on to the consumers of the future. ...</i></p> <p><i>59. Tariff determination ought to be treated as a time bound exercise.</i></p> <p>...</p> <p><i>65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:</i></p> <p><i>(ii) It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year. For example, the ARR & tariff for the financial year 2011- 12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.</i></p> <p><i>(iii) In the event of delay in filing of the ARR, truing up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suomoto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy".</i></p> <p style="text-align: right;"><i>(Emphasis supplied)</i></p>	

	<p>7. Additionally, the credit rating of the Power Utilities to get loans gets affected with Non-submission of the ARR and Tariff Proposals: In the Integrated Rating Score Methodology introduced by Ministry of Power for assessing the health of Discoms, one of the Parameter is Specific Disincentives which provides for Tariff Cycle Delays in terms of timely filing of the Petitions.</p>	
	<p>8. By allowing utilities to claim the entire cost variation in power purchase trueup without filling of the ARR for the relevant Financial Year but instead continued to levy existing Tariff will set a bad authority as it would be tantamount to the fact that utilities can continue to be in violation of the regulatory and legal process and still burden the consumers without taking any burnt for the same. This would essentially leave the entire exercise of annual filing of ARR and Tariff Proposals on projection basis before the beginning of the FY and subsequent true-up on basis of actuals futile.</p>	
	<p>9. For the aforementioned reasons it is humbly submitted before the Commission to disallow the Discoms their true up claims for the year 201920, 2020-21 and 2021-22 in the face of non-filing of ARR and Tariff Proposals for the relevant years and set an authority for utilities to operate within the stipulated timelines and not on its own whims to unnecessarily burden the consumers.</p>	
	<p>10. Notwithstanding the above, the other objections against the True-up claimed by the Petitions are detailed in the subsequent sections.</p>	
4	<p>POWER PURCHASE COST: A.TSGENCO Thermal Power Stations: i) Arbitrary Escalation considered in Variable Charges: It is observed that the both Petitioners, i.e., TSSPDCL and TSNPDCL have shown</p>	<p>TS Discoms submit that the power purchase cost paid by them is after verification of the bills raised by the generating companies. TS Discoms, as part of additional information are submitting the invoices raised by generating stations from which they have procured power from.</p>

	significant escalation in variable charge rate as compared to Hon'ble Commission approved values for the period during FY 2016-17 to FY 2018-19 and FY 2022-23.						
	ii) The variation is particularly observed in case of some TSGENCO thermal stations without providing any rationale with the instant Petitions. It is submitted that the variation from the approved values ought to be supported by proper rationale. The Objector in the absence of proper backing/rationale has limited the variable charge rate to the approved variable charge rate in the respective RST orders.						
	iii) The anomalies observed in this regard have been reproduced below:						
TSGENCO Generating stations	TSSPDCL			TSNPDCL			
	Variable Charge Rate (Rs/kWh)			Variable Charge Rate (Rs/kWh)			
Approve d	Clai me d	Escalatio n %	Approve d	Clai me d	Escalatio n %		
FY 2016-17							
KTPS-D	2.02	2.22	10%	2.02	2.22	10%	
FY 2017-18							
KTPS-A	2.07	2.91	41%	2.08	2.92	40%	
KTPS-B	2.07	2.91	41%	2.08	2.92	40%	
KTPS-D	1.92	2.54	33%	1.93	2.54	32%	
KTPS Stage VI	2.45	2.75	12%	2.45	2.75	12%	
RTS B	2.36	2.91	23%	2.38	2.95	24%	
FY 2018-19							
KTPS-A	2.17	3.20	47%	2.18	3.19	46%	
KTPS-B	2.17	3.20	47%	2.18	3.19	46%	
KTPS-C	2.17	3.20	47%	2.18	3.19	46%	

	KTPS-D	2.02	2.82	39%	2.03	2.82	39%																														
	KTPS-VI	2.57	3.13	22%	2.57	3.13	22%																														
	RTS B	2.48	2.94	19%	2.46	2.94	20%																														
	Kakatiya Thermal Power Plant I	2.55	3.34	31%	2.56	3.35	31%																														
	Kakatiya Thermal Power Plant II	2.36	2.92	24%	2.36	2.93	24%																														
	iv) It is humbly submitted that Hon'ble Commission may direct the TS Discoms to submit proper rationale/justification/backing for such significant escalation considered in variable charge rate.																																				
	v) It is further requested that Hon'ble Commission may limit the variable charge rate to approved variable charge rate. <p style="text-align: center;">Summary of disallowance in Variable Charges: (All figures in Rs. Crores)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="background-color: #1a3d4d; color: white;">Disallowance Proposed in Variable Cost as per Objector</th> </tr> <tr> <th style="background-color: #e0e0e0;">Financial Year</th> <th style="background-color: #e0e0e0;">TSSPDCL</th> <th style="background-color: #e0e0e0;">TSNPDCL</th> <th style="background-color: #e0e0e0;">Total</th> </tr> </thead> <tbody> <tr> <td style="background-color: #e0e0e0;">FY 17</td> <td style="text-align: center;">19.79</td> <td style="text-align: center;">-</td> <td style="text-align: center;">19.79</td> </tr> <tr> <td style="background-color: #e0e0e0;">FY 18</td> <td style="text-align: center;">325.82</td> <td style="text-align: center;">159.61</td> <td style="text-align: center;">485.43</td> </tr> <tr> <td style="background-color: #e0e0e0;">FY 19</td> <td style="text-align: center;">925.30</td> <td style="text-align: center;">385.41</td> <td style="text-align: center;">1,310.71</td> </tr> <tr> <td style="background-color: #e0e0e0;">FY 23</td> <td style="text-align: center;">449.09</td> <td style="text-align: center;">201.49</td> <td style="text-align: center;">650.58</td> </tr> <tr> <td style="background-color: #e0e0e0;">Total</td> <td style="text-align: center;">1,719.99</td> <td style="text-align: center;">746.52</td> <td style="text-align: center;">2,466.51</td> </tr> </tbody> </table>								Disallowance Proposed in Variable Cost as per Objector				Financial Year	TSSPDCL	TSNPDCL	Total	FY 17	19.79	-	19.79	FY 18	325.82	159.61	485.43	FY 19	925.30	385.41	1,310.71	FY 23	449.09	201.49	650.58	Total	1,719.99	746.52	2,466.51	
Disallowance Proposed in Variable Cost as per Objector																																					
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	<p>It is unfair on part of the objecter to request the Hon'ble Commission to limit the variable charges to the approved variable charge rate. TS Discoms request the Hon'ble Commission to approve the actual variable charge as claimed after prudence check of the claims made by the TS Discoms.</p>																																				
	B. Central Generating Stations:																																				
	i) It is pointed out that the Hon'ble Commission has clearly directed the TS Discoms to consider null capacity allocation from NTECL Vallur TPS and NLC Tamil Nadu Power Ltd from 01.08.2017 onwards.																																				
	The direction of the Hon'ble Commission for not considering the capacity allocation from NTECL Vallur TPS and NLC Tamil Nadu Power Limited was on account of the higher cost of power from such stations.																																				

<p>ii) In line with directive, the Hon'ble TSERC has not considered any capacity allocation from NTECL Vallur TPS and NLC Tamil Nadu Power Ltd in its past RST order dt. 26.08.2017 for FY 2017-18, RST order dt. 27.03.2018 for FY 2018-19 and latest RST order dt. 23.03.2022 for FY 2022-23.</p>	<p>In this regard it is to be noted that the TS Discoms, on the first hand have themselves submitted a requisition to the Ministry of Power (MoP), Government of India (GoI) expressing their willingness to surrender the share of Telangana State from NTECL Vallur TPS and this has been recorded by the Hon'ble Commission in RST Order for FY 2017-18 (as also extracted by the objector).</p>
<p>iii) The relevant extracts from the past RST orders have been reproduced below for reference:</p> <ul style="list-style-type: none"> • <u>The Hon'ble Commission in its RST Order dt. 26.08.2017 for FY2017-18 has stated the following:</u> <i>"3.3.17 To reduce the financial burden upon them, the Licensee submitted a requisition to GoI expressing its willingness to surrender the share of Telangana State from NTECL Vallur TPS. In view of the requisition made by the Licensees, the Commission also observes that NLC Tamil Nadu Power Ltd. is also a similar project with high cost of generation. The Commission thus directs the DISCOMs to surrender the allocated share of Telangana State in NTECL Vallur TPS and NLC Tamil Nadu Power Ltd. Hence the Commission in this Order, has not considered the energy availability from these generating stations from 01.08.2017 onwards."</i> • <u>The Hon'ble Commission in its RST Order dt. 27.03.2018 for FY2018-19 has stated the following:</u> <i>3.3.18 The Commission in its Tariff Order for FY 2017-18 dated 26.08.2017 directed the DISCOMs to surrender the allocated share of Telangana State in NTECL Vallur TPS and NLC Tamil Nadu Power Ltd. and accordingly, had not considered the energy availability from these stations from 01.08.2017. The DISCOMs</i> 	<p>Further, acknowledging the initiative of the TS Discoms, the Hon'ble Commission in the RST Order for FY 2018-19 had directed to also pursue the willingness of TS Discoms to surrender share of NLC Tamil Nadu Power Limited.</p> <p>In this regard, it is to be noted that since the allocation of power to the States is done by MoP, it is not under the control of TS Discoms to surrender the share of Telangana. TS Discoms, as per the directive of the Hon'ble Commission have made request to surrender Telangana share in NTECL Vallur TPS and NLC Tamil Nadu Power Limited, however, it is still pending to be accepted.</p> <p>In view of the above, it shall be unfair on part of the objector to make such objections and request the Hon'ble Commission to also penalize the TS Discoms.</p>

submitted that in response to their request for re-allocation of the share of Telangana State in NTECL Vallur TPS, there is no confirmation from the Ministry of Power, GoI to that effect. The DISCOMs also submitted that the re-allocation of the share in NLC Tamil Nadu Power Ltd. will be taken up after the re-allocation of share in NTECL Vallur TPS. The Commission observed that the DISCOMs are procuring power from NTECL Vallur TPS and NLC Tamil Nadu Power Ltd. in FY 2017-18 and have proposed in FY 2018-19 also. In light of the directions in the Tariff Order for FY 2017-18, the Commission has not considered the share allocation to Telangana State from NTECL Vallur TPS and NLC Tamil Nadu Power Ltd. for FY 2018-19.

- The Hon'ble Commission in its RST order dt. 23.03.2022 for FY 2022-23 has approved the following:

Table 4-15 Power procurement cost from Central Generating Stations for FY 2022-23

Source	Claimed				Approved			
	Quantu m	Fixed Cost	Variable Cost	Total	Quantu m	Fixed Cost	Variable Cost	Total
	MU	Rs.crore	Rs.crore	Rs.crore	MU	Rs.crore	Rs.crore	Rs.crore
Thermal								
NTPC Ramagundam Stage I & II	2603.01	188.60	690.83	879.22	2710.15	181.22	699.16	880.38
NTPC Ramagundam Stage III	721.42	57.15	162.20	239.35	729.22	53.89	184.17	238.06
NTPC Talcher TPS II	1638.93	117.79	284.28	402.07	1598.29	110.39	277.23	387.62
NTPC Simhadri Stage I	2251.89	478.57	707.56	1186.13	3672.35	356.75	1153.88	1510.63
NTPC Simhadri Stage II	1298.23	230.24	398.51	628.75	1765.35	245.11	541.91	787.02
NTPC Kudgi	1017.12	319.88	348.05	667.92	1751.40	294.24	599.31	893.55
NLC TPS II Stage I	395.60	27.08	104.54	131.63	385.93	28.10	101.99	130.09
NLC TPS II Stage II	710.07	50.12	187.82	237.95	692.64	52.26	183.21	235.47
NNTPP	402.72	68.24	88.03	156.28	392.73	78.22	85.84	164.06
TSPP Unit 1	3499.63	790.92	794.42	1585.33	3412.84	711.82	774.72	1486.54
NTECL Vallur TPS	834.63	135.00	245.48	380.48	0.00	0.00	0.00	0.00
NLC Tamil Nadu Power Ltd.	1068.80	188.57	283.77	472.34	0.00	0.00	0.00	0.00
Sub Total	16521.83	2652.16	4315.29	6967.45	17116.91	2112.01	4601.41	6713.42
Nuclear								

iv) It is evident from the Hon'ble Commission past directives/methodology that the TS Discoms have not been allowed to procure power from these two specified Power Stations. Despite this, the TS Discoms have procured power from these stations in clear violation of the Hon'ble TSERC's directives. The TS Discoms claim in this regard as per instant filings is represented below for reference:

TSSPDCL	Approved		Claimed PP cost (In Crores)					Total
	Despatch (MUs)	PP Cost (In Crores)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
NTECL Vallur	-	-	93.70	105.43	117.61	246.00	242.00	804.74
NLC	-	-	-	-	-	269.00	-	269.00

Total	-	-	93.70	105.4	117.6		242.0	1,073.7
				3	1		0	4

TSNPDCL	Approved	Claimed PP cost (In Crores)						
Generating Stations	Despatch (MUs)	PP Cost (In Crores)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
NTECL Vallur	-	-	39.00	41.00	49.00	103.00	101.00	333.00
NLC	-	-	-	-	132.00	113.00	-	245.00
Total	-	-	39.00	41.00	181.00	216.00	101.00	101.00

v) The Objector, in line with the Hon'ble Commission's past methodology/ directives, has not considered any capacity allocation from these two generating stations for power purchase computation and disallowed the amount claimed against power purchase cost in regard of these two CGS stations.

(All figures in Rs. Crores)

Disallowance in CGS PP cost as per Objector Assessment			
	Claimed	Objector	Disallowance
TSSPDCL	1,073.74	-	1,073.74
TSNPDCL	578.00	-	578.00
Total	1,651.74	-	1,651.74

vi) .It is humbly requested that the Hon'ble Commission may penalise the Discoms for not adhering to the directives specified and may allow the power purchase cost from CGS stations as per Objector's

	Assessment.	
	<p>C. Sale of Surplus Power</p> <p>i) It is humbly submitted that the sale of surplus power ought to be made at an optimal price as per market conditions in order to earn revenue and/or reduce the Power Purchase.</p>	<p>It is to be noted that the TS Discoms have engaged in sale of surplus power considering the real time situation of the market and only if the market conditions are favorable i.e., only in some time blocks when the cost per unit of power available in the market is higher than the actual cost per unit to be incurred by TS Discoms.</p> <p>In view of the above, it is not correct on the part of objector to consider the average MCP of particular year to arrive at the revenue from sale of surplus power.</p>
	<p>ii) It is observed that the TS Discoms have sold the surplus power for some financial year at a price lower than the IEX average MCP for that particular year.</p>	
	<p>iii) Some instance has been recorded below for reference:</p> <ul style="list-style-type: none"> • TSSPDCL for FY 2018-19 has recorded 1229.35 MUs as surplus power which is sold at a rate of Rs. 3.10/kWh but IEX MCP for FY 2018-19 is on quite higher side i.e. Rs. 3.86/kWh. • TSNPDCL for FY 2016-17 & FY 2018-19 has recorded 44 MUs and 1150 MUs as surplus power which are sold at a rate of Rs. 2.05/kWh and Rs. 3.18/kWh respectively which is again at a lower side as compared to IEX MCP of Rs. 2.41/kWh and Rs. 3.86/kWh respectively. • TSNDPCL for FY 2016-17 has purchased 544 MUs from market at a rate of Rs. 4.69/kWh which is on a higher side to IEX MCP of Rs. 2.41/kWh. 	
	<p>iv) The Objector has estimated actual revenue ought to be generated from the sale of surplus power in accordance to IEX MCP and reduced the same from power purchase cost. It is prayed that the Hon'ble Commission may allow the sale of surplus power as per the Objector's</p>	

	computations.										
	<p>D. Discom to Discom Sales</p> <p>i) As a general regulatory procedure, Discom to Discom power sales ought to be made in accordance to average power purchase price of the respective Discoms.</p>										<p>It is to be noted that the power from generating stations is dispatched based on central dispatch for the entire state and on real time the energy share of one Discom happens to be utilized by another Discom. The cost component of such D-D transactions equals each other i.e., one being positive and another negative with no cost impact for the State as a whole. ii) Furthermore, it is apparent that the Discoms have deviated from this approach in their instant True Up petition as can be observed from the Petitioner's claims.</p>
	<p>ii) Furthermore, it is apparent that the Discoms have deviated from this approach in their instant True Up petition as can be observed from the Petitioner's claims in respect of D-D transactions:</p> <p style="text-align: center;">Summary of D-D sales as per Petitioners:</p>										<p>It is to be observed that the Objector has considered a different per unit cost for such D-D settlements than that claimed by the TS Discoms. In this regard, it is to be noted that irrespective of the per unit cost considered, the overall cost impact on the State should be zero. Considering the same, the Objector's contention of additional revenue generation does not hold good as the additional revenue generation of one Discom is compensated by the additional cost incurred by other Discom.</p>
	As per Petitioners										
Particulars	FY 2022-23										
	Energy MUs	Cost Rs. Crores	Unit Price Rs/kWh								
Sale to TSSPDCL	1,183.00	451.00	3.81								
Average Power Purchase Cost for TSNPDCL	20,660.00	11,637.00	5.63								
Particulars	FY 2019-20			FY 2020-21			FY 2021-22				
	Ene rgy	Cost	Uni t Pric e	Ene rgy	Cost	Unit Price	Ene rgy	Cost	Unit Price		
Mu s	Rs. Cror	Rs/ kWh	Mu s	Rs. Cror	Rs/ kWh	Mu s	Rs. Cror	Rs/ kWh			

		es	h		es	h		es	h
Sale to TSNPDCL	2,34 5.21	900.0 7	3.8 4	2,17 4.46	846.4 2	3.89	958.0 0	400.0 0	4.18
Average Power Purchase Cost for TSSPDCL	39,7 97.2 5	21,50 1.33	5.4 0	38,2 00.0 3	21,5 10.5 1	5.63	45,4 80.0 0	25,03 3.00	5.50

iii) The Objector has re-worked the allowable actual Average Power Purchase Cost for TSSPDCL and TSNPDCL (which has been taken as the price at which power is to be sold from TSSPDCL to TSNPDCL) considering the previous sections of the instant Objections. The same has been shown below:

Summary of D-D transactions as per Objector's Assessment

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	Energy	Cost	Unit Price	Energy	Cost	Unit Price	Energy	Cost	Unit Price
	Mus	Rs. Crores	Rs/ kW h	Mus	Rs. Crores	Rs/ kW h	Mus	Rs. Crores	Rs/ kW h
Sale to TSNPDCL	2,345 .21	1,267 .05	5.40	2,174 .46	1,224 .44	5.63	958. 00	527. 30	5.50
Average Power Purchase Cost for TSSPDCL	39,79 7.2 5	21,50 1.3 3	5.40	38,20 0.0 3	21,51 0.5 1	5.63	45,48 0.0 0	25,03 3.0 0	5.50

Particulars	As per Objector		
	FY 2022-23		
	Energy	Cost	Unit Price
	Mus	Rs. Crores	Rs/kWh
Sale to TSSPDCL	1,183.00	666.34	5.63
Average Power Purchase Cost for TSNPDCL	20,660.00	11,637.00	5.63

iv) The Objector has computed the amount of Rs. 3685.13 pertaining to revenue generated form D-D Sales @ MCP which is 1087.64 Crores more than the Petitioner’s Claim. The same is tabulated below for reference

(All figures in Rs. Crores)

Revenue Generated by D-D sales			
FY	Petitioner (A)	Objector (B)	Excess Revenue Generated (B-A)
FY 2019-20	900.07	1,267.05	366.98
FY 2020-21	846.42	1,224.44	378.02
FY 2021-22	400.00	527.30	127.30
FY 2022-23	451.00	666.34	215.34
Total	2,597.49	3,685.13	1,087.64

No Comments

E. Interest on Pension Bonds:

i) It is a set principle that pension funds must be maintained from the contributions of the management & employees and should be used appropriately to earn interest thereon.

ii) It is observed that the both petitioners have claimed the interest on pension bonds for some financial years even greater than the approved

The erstwhile APERC in the Order dated 24.03.2003 in O.P.No. 402 of 2002 allowed the liability of additional interest on pension bonds as a passthrough in the tariff on a year to year basis up to the FY 2032-33. The aforementioned Order of the APERC shows that any additional liability due to increase in the amount of pension is recognised as a pass through in the tariff of APGENCO. After the formation of the Telangana State, the pension liability was passed on

	amount by Hon'ble Commission in its past RST orders.	to TSGENCO.																									
	iii) The escalated amount is claimed without any data backing and documents, even the Objector is unable to verify the same amount from the audited accounts available in public domain.	The additional interest on pension bonds claimed by the TS Discoms are the amounts as claimed by TS GENCO in line with the aforementioned Order dated 24.03.2003 in O.P.No. 402 of 2002. In this regard, it is to be noted that the amount approved by the Hon'ble Commission in the RST Order is provisional in nature and at the end of year, TS Genco raises supplementary bills to TS Discoms with the actual pension liabilities paid by it. For FY 2016-17, the variation of actual amount from the approved amount is on account of adjustment of pension liabilities outstanding for past three years. For the period from FY 2019-20 to FY 2021-22, it is to be noted that TS Discoms could not file the ARR and Tariff Petitions and considering the same, the approved amount was considered as equal to the approved value in RST Order for FY 2018-19. Further, the variation of actual amount from the approved amounts is on account of past liabilities and the supplementary bills raised by TS Genco at the end of the respective year. TS Discoms submit that till the time GoTS accepts to bear the additional burden of pension bonds, TS Discoms are required to pay for the claims made by the TS Genco as per the aforementioned Order dated 24.03.2003 in O.P.No. 402 of 2002																									
	<p>iv) The Hon'ble Commission in its TSGENCO MYT Order dt. 22.03.2022 has also issued following directive in this regard:</p> <p>“New Directives 10. Liabilities on pension bonds The Commission directs TS Genco to extract the request of the stakeholder that the Government of Telangana shall bear the additional burden of pension bonds and communicate to the Principal Secretary, Energy, GoTS for favourable consideration.”</p> <p>v) As the instant matter is backdated and lacking substantial justification, the Objector for the computation of Power Purchase Cost has limited the interest amount to its approved value.</p> <table border="1" data-bbox="325 1179 1373 1432"> <thead> <tr> <th colspan="5">Summary of Disallowance in Interest on Pension Bonds</th> </tr> <tr> <th></th> <th>Approved</th> <th>Claimed</th> <th>Objector</th> <th>Disallowance</th> </tr> </thead> <tbody> <tr> <td>TSSPDCL</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FY 2016-17</td> <td>227.17</td> <td>1,311.08</td> <td>227.17</td> <td>1,083.91</td> </tr> <tr> <td>FY 2019-20</td> <td>273.08</td> <td>821.73</td> <td>273.08</td> <td>548.65</td> </tr> </tbody> </table>	Summary of Disallowance in Interest on Pension Bonds						Approved	Claimed	Objector	Disallowance	TSSPDCL					FY 2016-17	227.17	1,311.08	227.17	1,083.91	FY 2019-20	273.08	821.73	273.08	548.65	In view of the above submissions, TS Discoms request the Hon'ble Commission to approve the additional interest on pension bonds as claimed.
Summary of Disallowance in Interest on Pension Bonds																											
	Approved	Claimed	Objector	Disallowance																							
TSSPDCL																											
FY 2016-17	227.17	1,311.08	227.17	1,083.91																							
FY 2019-20	273.08	821.73	273.08	548.65																							

		FY 2020-21	482.77	827.28	482.77	344.51	
		FY 2021-22	482.77	762.00	482.77	279.23	
		Total TSSPDCL (A)	1,465.79	3,722.09	1,465.79	2,256.30	
		TSNPDCL					
		FY 2016-17 (B)	95	547	95	452.00	
		Total (A+B)	1,560.79	4,269.09	1,560.79	2,708.30	
	F. Miscellaneous Charges (Transmission Cost, SLDC Cost & PGCIL & ULDC OR POSOCO Charges)	TS Discoms submit that the Transmission Cost, SLDC cost and PGCIL & ULDC or POSOCO Charges are approved along with the power purchase cost in the respective tariff orders.					
	i) The TSSPDCL and TSNPDCL have claimed a cumulative amount of Rs. 13,888.89 Crores and Rs. 5,874 Crores respectively towards Transmission Cost, SLDC Cost & PGCIL & ULDC OR POSOCO Charges).	It is an established fact that the cost of power purchase from the perspective of a distribution licensee includes all the cost incurred in such procurement and it includes the cost incurred for transmission of power till its distribution network.					
	ii) It is submitted that Hon'ble Commission in its past RST for FY 2016-17, 2017-18, FY 2018-19 & FY 2022-23 orders have not included any of these charges in while approving power purchase cost. But the Petitioners have also shown amount pertaining to these charges under approved values for calculating Power Purchase deviation.	It is to be noted that as per Clause 11 of Regulation No. 4 of 2005, the ARR items under Retail Supply Business include both cost of power procurement and Transmission charges and the Regulation No. 1 of 2014 i.e, first amendment to Regulation No. 4 of 2005 provides for true up for Retail Supply Business implying the true up of both cost of power procurement and transmission charges and considering the same TS Discoms have filed the instant true up filings including the Transmission Cost, SLDC cost and PGCIL & ULDC or POSOCO Charges					
	iii) In line with the same methodology as followed by the Hon'ble Commission in its past RST for FY 2016-17, 2017-18, FY 2018-19 & FY 2022-23 orders, the objector has computed the power purchase cost without considering any true-up in these charges. The summary of charges considered by the Petitioner in Power Purchase True up claim is summarized below: Charges Claimed by Petitioners for FY 2016-17 to FY 2022-23:	In view of the above, the objection that the cost incurred for transmission shall not be included in true up is not valid and lacks proper justification.					

(All Figures in Crores)

Both Discoms	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total
Transmission Cost	1,790.12	1,024.00	1,409.00	1,410.53	2,317.07	2,857.00	-	10,807.72
SLDC Cost	28.86	33.00	35.00	34.84	49.60	51.00	-	232.30
PGCIL Charges	735.77	1,096.00	1,577.00	2,232.00	1,511.30	1,569.00	-	8,721.07
ULDC or POSOCO Charges	1.60	-	-	-	-	-	-	1.60
Total	2,556.35	2,153.00	3,021.00	3,677.37	3,877.97	4,477.00	-	19,762.69

Charges shown by Petitioners in approved PP cost for FY 2016-17 to FY 2022-23:

(All Figures in Crores)

Both Discoms	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total
Transmission Cost	1,702.09	1,024.00	1,408.57	1,410.53	2,317.07	2,857.00	-	10,719.26
SLDC Cost	28.86	33.00	34.50	34.84	49.60	51.00	-	231.80

	PGCIL Charges	521.90	1,174.00	922.98	922.98	922.98	922.98	-	5,387.82																																											
	ULDC or POSOCO Charges	6.14	-	-	-	-	-	-	6.14																																											
	Total	2,258.99	2,231.00	2,366.05	2,368.35	3,289.64	3,830.98	-	16,345.01																																											
5	<p>SUMMARY OF OBJECTOR'S ASSESSMENT OF ALLOWABLE TRUE UP CLAIM FOR FY 2016-17 TO FY 2022-23:</p> <p>i) On accumulating the above discussed parameters, the true up amount as per Objector's assessment vs Petitioner's submission are provided below:</p> <p>Summary of True Up claim for TSSPDCL and TSNPDCL for FY 2016-17 to FY 2022-23</p> <p><i>(All figures in Rs. Crores)</i></p> <table border="1"> <thead> <tr> <th colspan="4">PP Cost True up claimed by TS Discoms</th> <th colspan="3">As per Objector Assessment</th> </tr> <tr> <th>FY</th> <th>TSSPD CL</th> <th>TSNPD CL</th> <th>Total</th> <th>TSSPD CL</th> <th>TSNPD CL</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY 2016-17</td> <td>-230.59</td> <td>-38.78</td> <td>-269.37</td> <td>-</td> <td>-703.58</td> <td>-2,249.24</td> </tr> <tr> <td>FY 2017-18</td> <td>-365.23</td> <td>126.73</td> <td>-238.50</td> <td>-628.99</td> <td>-16.14</td> <td>-645.14</td> </tr> <tr> <td>FY 2018-19</td> <td>877.23</td> <td>-266.31</td> <td>610.92</td> <td>-646.87</td> <td>-960.00</td> <td>-1,606.87</td> </tr> <tr> <td>FY 2019-</td> <td>30.20</td> <td>593.87</td> <td>624.07</td> <td>-</td> <td>218.85</td> <td>-1,747.02</td> </tr> </tbody> </table>									PP Cost True up claimed by TS Discoms				As per Objector Assessment			FY	TSSPD CL	TSNPD CL	Total	TSSPD CL	TSNPD CL	Total	FY 2016-17	-230.59	-38.78	-269.37	-	-703.58	-2,249.24	FY 2017-18	-365.23	126.73	-238.50	-628.99	-16.14	-645.14	FY 2018-19	877.23	-266.31	610.92	-646.87	-960.00	-1,606.87	FY 2019-	30.20	593.87	624.07	-	218.85	-1,747.02	<p>TS Discoms appreciate the intention and efforts put in by the objector, behind the analysis undertaken on the true up claims for the period from FY 2016-17 to FY 2022-23. However, TS Discoms feel that the approach followed is intended only towards the reduction of the claims made by the TS Discoms.</p> <p>TS Discoms have responded to the item-wise objections/ suggestions proposed by the objector, in the abovementioned sections, and would request the Hon'ble Commission to consider the projections shared by Discoms, considering the justifications shared on the same.</p>
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20				1,965.87		
FY 2020-21	1,106.80	490.25	1,597.05	-148.67	136.82	-11.85
FY 2021-22	6,372.00	2,417.81	8,789.81	4,994.45	2,012.00	7,006.45
FY 2022-23*	1,270.39	-369.10	901.29	580.31	-886.93	-306.62
Total True up/(True Down)	9,060.80	2,954.47	12,015.27	638.70	-198.99	439.71

*Note: Detailed computation of Power Purchase True Up/ (True Down) as per Objector's Assessment is attached herewith as **Annexure A**.

ii) The detailed summary of Objector's Assessment Vs Petitioner's Claim of True up claim for FY 2016-17 to FY 2022-23 is provided below:

(All figures in Rs. Crores)

TSSPDCL	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Petitioner	Objector	Petitioner	Objector	Petitioner	Objector	Petitioner	Objector
PP True up/ (True Down)	1,588.32	273.18	936.04	672.28	3,799.05	2,274.95	3,900.32	1,904.25
<u>Additional Support by GoTS</u>	1,583.83	1,583.83	908.79	908.79	1,680.00	1,680.00	1,400.00	1,400.00
Loss Funding	235.01	235.01	392.48	392.48	1,241.82	1,241.82	2,470.12	2,470.12
Net True Up/(True Down)	-230.52	-1,545.6	-365.23	-628.99	877.23	-646.87	30.20	-1,965.87

(All figures in Rs. Crores)

FY 2020-21		FY 2021-22		FY 2022-23		Total TSSPDCL	
Petitioner	Objector	Petitioner	Objector	Petitioner	Objector	Petitioner	Objector
3,230.80	1,975.33	6,372.00	4,994.45	1,270.39	580.31	21,096.92	12,674.75
-	-	-	-	-	-	5,572.62	5,572.62
2,124.00	2,124.00	-	-	-	-	6,463.43	6,463.43



(All figures in Rs. Crores)

TSNPDCCL	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Petitioner	Objector	Petitioner	Objector	Petitioner	Objector	Petitioner	Objector
PP True up/ (True Down)	715.91	50.63	672.26	529.39	1,216.55	522.86	1,752.02	1,377.00
Additional Support by GoTS	678.79	678.79	389.48	389.48	720.00	720.00	600.00	600.00
Loss Funding	75.42	75.42	156.05	156.05	762.86	762.86	558.15	558.15
Net True Up/(True Down)	-38.30	-703.58	126.73	-16.14	-266.31	-960.00	593.87	218.85

(All figures in Rs. Crores)

FY 2020-21		FY 2021-22		FY 2022-23		Total TSNPDCL	
Petitioner	Objector	Petitioner	Objector	Petitioner	Objector	Petitioner	Objector
1,710.43	1,357.00	2,417.81	2,012.00	-369.10	-886.93	8,115.88	4,961.94
-	-	-	-	-	-	2,388.27	2,388.27
1,220.18	1,220.18	-	-	-	-	2,772.66	2,772.66
490.25	136.82	2,417.81	2,012.00	-369.10	-886.93	2,954.95	-198.99

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PRAYERS:

The Objector most respectfully prays that this Hon'ble Commission may be pleased to:

- A. Consider the above Objection Statement filed by the Objector;
- B. Disallow the Discoms their true up claims for the year 2019-20, 2020-21 and 2021-22 in the face of non-filing of ARR and Tariff Proposals for the relevant years and set an authority for utilities to operate within the stipulated timelines and not on its own whims to unnecessarily burden the consumers.
- C. Notwithstanding Prayer B, allow the following Prayers:
- D. Direct the Discoms to submit supporting documents against

TS Discoms have responded to the item-wise objections/ suggestions proposed by the objector, in the abovementioned sections, and would request the Hon'ble Commission to consider the projections shared by Discoms, considering the justifications shared on the same.

	<p>claiming escalation in Variable charge;</p> <p>E. Direct the Discoms to strictly adhere to Market MCP in order to determine the rate for transaction of power in the power exchange market;</p> <p>F. Direct Discoms to strictly adhere to Hon'ble Commission past directives;</p> <p>G. Disallow the power purchase cost as per the Objector's Assessment and in cases where the purchase has been projected at exorbitantly high price not relatable to the incumbent market situations;</p> <p>H. Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of justice;</p> <p>I. Permit the Objector to participate and make additional submission and produce additional details and documentations during the course of the online Public Hearings in the interest of justice and equity.</p>	
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