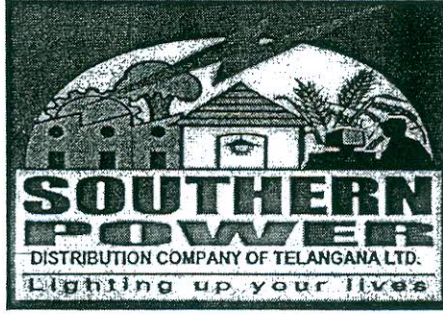


SR No. 13 of 2016

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**SOUTHERN POWER DISTRIBUTION COMPANY
OF TELANGANA LIMITED**

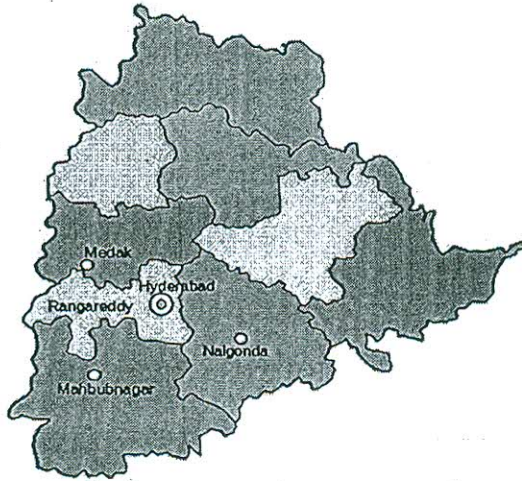
(Distribution and Retail Supply of Electricity Licensee)



598
8/3

2016

**Filing of ARR & Proposed Tariffs
for
Retail Supply Business for FY 2016-17**



8th March, 2016

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

AT ITS OFFICE AT 5th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

CASE NO. _____/2016

In the matter of:

Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff for Retail Sale of Electricity for the year 2016-17 under Section 62 of the Electricity Act, 2003.

In the matter of:

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITEDApplicant
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**

The Applicant respectfully submits as under:

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

Telangana Official Gazette has notified its first regulation, Regulation No.1 of 2014 on 10.12.2014 (Adoption of Previously Subsisting Regulations, Decisions, Directions or Orders, Licenses and Practice of Directions) wherein clause 2 says that –

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

4. This filing is made by the **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TSSPDCL)** under Section 64 of the Electricity Act, 2003 for determination of the Aggregate Revenue Requirement (ARR) and Tariff for the Retail Supply Business for the year FY2016-17.
5. As per Regulation No.4 of 2005, the licensee is required to file the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff proposal for the entire control period i.e., for the period FY2014-15 to FY2018-19. However, the licensee had requested the Hon'ble Commission to allow it to submit the ARR for Retail Supply Business for the FY2016-17 on yearly basis, instead for the entire control period due to the reasons as mentioned below:
 - a. **Significant uncertainty involved in projection of quantum of power to be purchased from various sources as well as in costs.**
 - **Projections of Generation Availability:** Projection of power to be purchased from TSGenco stations, Central Generating Stations (CGSs) & other stations would be difficult beyond one or two years. As seen in the past there have been deviations from the scheduled commissioning for both thermal and hydro plants. Given the high quantum of power likely to be purchased from the plants likely to be commissioned till FY2018-19; any deviations in the power procurement schedule from these plants will have a material impact on the power purchase costs if projections are to be done for the entire 3rd control period.
 - **Projections of Power Purchase Costs:** The licensee would like to submit that it is facing challenges in projecting the power procurement cost for the entire 3rd control period as there has been a sharp increase in the power procurement cost in the recent past due to the following reasons:

- ✓ Sharp fall observed in energy dispatched from cheaper hydro sources over the years. The hydro energy availability for FY2015-16 is expected to be 130.01 MU as compared to the Tariff Order approved quantity of 4037.64 MU. It has been observed over the past few years that the actual availability from hydro stations has been consistently lower than the value approved in the Tariff Orders issued by Hon'ble Commission.
- ✓ Increase observed in the variable cost of Genco thermal plants due to the increased consumption of imported coal because of domestic coal shortage.
- ✓ The shortfall in energy from hydro sources FY2015-16 was met from relatively expensive sources viz., short term purchases.
- As can be seen from the points mentioned above, there is a scope of significant variation in the power purchase costs of the licensee, if the projections of power procurement are done for the entire control period.

b. Regulatory objectives of a Multi-Year-Tariff regime not met.

- **Mechanism of Incentivization:** One of the objectives of the Multi-Year-Tariff (MYT) regime is to incentivize the performance of the licensee based on its achievement vis-à-vis the targets fixed by the regulator. In the current scenario, this concept is more relevant in distribution business as many of the ARR items in distribution business are deemed to be controllable and the licensee can take steps to achieve the targets fixed by the regulator thereby improving its operational performance. However in the retail supply business, the cost of power purchase is uncontrollable factor and hence not amenable to fixation of targets. Hence the regulatory objective of improving the performance of the licensee, intended to be achieved in a MYT regime is not met in case of retail supply business.
- **Tariff Certainty:** The other key objective intended to be achieved through a MYT framework is to reduce the regulatory uncertainty for consumers stemming from methodology followed by the regulator in tariff setting. This objective is achieved in the distribution business through the wheeling tariffs set for the MYT control period which are based on the factors which are controllable by the licensee. However in retail supply business, following are the key constraints in fixing a tariff for entire control period-
 - ✓ As explained in point 1, there is high degree of uncertainty in power purchase costs and it has a significant impact on the 'Cost to Serve' which forms the basis of fixation of retail tariffs.

- ✓ In addition to 'Cost of Service', the retail tariffs also depend on the level of subsidy support from Government of Telangana (GoTS) and cross subsidy levels across consumer categories. These factors are beyond the control of the licensee.

Hence the objective of providing tariff certainty to consumers, which is well established in distribution business in the form wheeling tariffs, is unlikely to be met in retail supply business due to the uncontrollable factors mentioned above.

c. Demand Side uncertainties -

- The licensee has made best efforts in estimating to a good degree of accuracy, the quantum of load shedding done in the previous year for consumers category-wise and factoring the impact of the same in coming up with projections for the ensuing year. However any short-fall in the load relief estimates will have an adverse impact on the licensee if sales projections are done for the entire 3rd control period
 - The policy of the GoTS towards the agricultural supply hours and the likely date of commissioning of the Lift Irrigation (LI) schemes are other parameters which would significantly alter the demand projections for the 3rd control period.
- d. It is also very difficult to predict with accuracy the levels of demand that will be there for power from different category of consumers especially Industrial and Commercial consumers. These are dependent on macroeconomic situations and are not easy to forecast over a 5 year period. Variations in this demand will alter sales mix and therefore make ARR substantially inaccurate if done over 5 year period.
6. The Hon'ble Commission has been kind enough in granting permission to submit the ARR & Proposed Tariff filings in respect of the Retail Supply Business on annual basis for FY2016-17 vide proceedings No.TSERC/Tariff/DD(T-Engg)/T-01/2015/D.No.751/15, dated 28.09.2015.
7. The licensee has filed applications before the Hon'ble Commission and sought extension of time for filing ARR for Retail Supply Business & Tariff Proposals for the year 2016-17 from time to time upto 8th March, 2016. The licensee faced the following difficulties in finalizing the preparation of ARR for FY2016-17:
- Recently, Government of India has announced Ujwal Discom Assurance Yojana (UDAY) scheme to fix a permanent solution to address existing and future losses

of the Distribution Companies in the country. Under this scheme, state government can take 75% of total loans outstanding on the books of Discoms in a period of 2-3 years by issuing bonds to the lender. In addition, certain incentives have been announced to Discoms such as additional power from central generating stations, higher coal allocation and more funds through Integrated Power Development Schemes (IPDS) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGY) schemes. This scheme will have a significant impact on the Discoms. The Discoms needed time for examining the impact of UDAY scheme on the retail supply ARR of FY2016-17.

8. The Hon'ble TSERC has been kind enough for issuing orders giving permission to the licensee to file ARR & Tariff proposals for FY2016-17 by 6th February, 2016 vide its letter No.S/R.O/1/2A-3, dated 27.01.2016. The licensee has also sought approval from the Hon'ble Commission for filing the ARR by 8th March, 2016.
9. The licensee has adopted the following methodology to arrive at the ARR for retail supply business.
 - **Distribution Cost:** The licensee has considered the figures as per the Hon'ble TSERC Tariff Order, dated 27th March, 2015 for Wheeling Tariffs for Distribution Business for 3rd control period.
 - **Transmission Cost:** The licensee has considered the approved transmission cost as per the Transmission Tariffs Order, dated 9th May, 2014.
 - **SLDC Cost:** The licensee has considered the approved figures as per the SLDC Annual Fee and Operating Charges Tariff Order dated 9th May, 2014.
 - **PGCIL and ULDC Costs:** PGCIL and ULDC costs have been projected for second half (H2) of FY2015-16 and FY2016-17 based on the first half (H1) of actuals of FY2015-16.
 - **Distribution Losses:** The Licensee has considered the Distribution Losses as approved by Hon'ble TSERC for the period from FY2014-15 to FY2018-19 in its Tariff Order dated 27th March, 2015.
 - **Transmission Losses:** The licensee has considered the approved loss figures as per the Transmission Tariff Order dated 9th May, 2014.
 - **PGCIL Losses:** The external losses (PGCIL) are estimated at a level of 3.44%.
10. The Applicant submits that as per the APERC Regulation 1 of 2014, TSDiscoms have to file for power purchase cost deviation of last two years. The licensee has computed the revenue gap for FY2014-15 and FY2015-16, but not considered for computing ARR for the FY2016-17 due to in principle approval by GoTS to UDAY

scheme floated by Gol. As per UDAY scheme, GoTS will take over 75% of Discom debt as on 30th September, 2015 – 50% in 2015-16 and 25% in 2016-17 or over three years. (25% of debt in each year). Discom debt not taken over by GoTS will be converted by the Banks/Financial Institutions (FIs) into loans or bonds with interest rate not more than the bank's base rate plus 0.1%. Alternately, this debt may be fully or partly issued by the Discom as GoTS guaranteed Discom bonds at the prevailing market rates which shall be equal to or less than bank base rate plus 0.1%.

11. However, a clear picture on the reduction in losses of the licensee in FY2015-16 by virtue of take-over of loans by GoTS would emerge once the UDAY scheme details are finalized. Hence the licensee would file for the true-up for 2015-16 in the next year filing (FY2017-18) based on the actual audited accounts finalized after considering the takeover of loans by GoTS. The licensee prays that the Hon'ble Commission may consider the final true-ups of FY2015-16 in the ARR filing for FY2017-18.
12. Further the licensee also prays that the reduction in ARR of licensee in FY2016-17 due to reduction in interest cost and depreciation may be passed on to GoTS in the form of reduction in subsidy as the loans of the licensee are proposed to be taken over by GoTS.
13. In the following paragraphs, the licensee has provided a brief summary of its performance during FY2014-15 as well as the expected performance for the current year i.e., FY2015-16 against the tariff order and projections for FY2016-17.
14. **Summary of the Filing:**

Performance Analysis of the Licensee for the Previous Year (FY2014-15) and Current Year (FY2015-16)

Performance Analysis: A brief analysis of the key elements of licensee's business is as follows:

a) Sale of Energy and Loss Reduction:

Particulars	2014-15 (Actuals)		2015-16 (Tariff Order)		2015-16 (Revised Estimate)	
	MU	%	MU	%	MU	%
Metered Sales	21145.68	65.58	23701.45	70.61	23504.00	68.88
LT Agricultural Sales	6932.86	21.50	6318	18.82	6931.23	20.31
Total Sales	28078.54	87.08	30019.45	89.43	30435.22	89.19
Add: Distribution Losses (including EHT sales)	4164.90	12.92	3546.39	10.57	3690.35	10.81
Energy Required at Discom Level	32243.43	100	33565.83	100	34125.57	100
Distribution Losses (excluding EHT sales)	4164.90	14.19	3546.39	11.63	3690.35	11.91

As seen from the above table, the losses for the FY2015-16 is 11.91% and reduced compared to previous year loss of 14.19%. However it is expected to reduce the losses further with the implementation of the following measures.

- Strict monitoring to ensure the assured number of hours of supply to agricultural sector.
- Reduction of both technical and commercial losses by vigorously conducting 11 kV feeder wise energy audits.
- During the year 2014-15, 1738 Nos. feeders (Towns and Mandal Headquarters) are available in EAUDIT for which energy audit is done on regular basis at corporate office level.
- 221 Nos. additional 11 kV, 2 MVAR capacitor banks proposed during the year 2015-16.

For the year 2014-15, 81 Nos. additional 33/11 kV sub-stations were charged and for the year 2015-16, 159 Nos. additional 33/11 kV sub-stations are proposed out of which 16 Nos. were already charged to reduce over loaded 33 kV & 11 kV lines and to maintain good voltage profiles up to the consumers end.

- b) **Category Wise Revenues:** The table below shows a comparison of the revenue from various consumer categories as estimated and approved in the Tariff Order and as billed (FY2014-15) and expected to be billed (FY2015-16) by TSSPDCL.

Consumer Categories	2014-15 (Actual)	2015-16 (Revised Estimate)
L.T. Supply	5355.29	5919.09
LT-I: Domestic	2490.64	2817.64
LT-II: Non-Domestic/Commercial	1827.40	1999.46
LT-III: Industry	578.22	579.40
LT-V: Agricultural	25.68	40.17
LT Others	433.35	482.42
H.T. Supply	7939.28	9380.16
HT-I(A): Industry-General	5865.76	6861.01
HT-I(B): Ferro Alloy Units	86.96	106.51
HT-II: Others	1461.94	1823.51
HT-III: Airport, Bus Stations and Railway Stations	41.13	47.06
HT-IV: Irrigation & CPWS	272.39	279.93
HT-V: Railway Traction	106.30	109.50
HT Others	104.80	152.64
Total	13294.57	15299.25

The actual revenue from sale of power of the licensee for 2014-15 is Rs.13,294.57 crore vis-à-vis actuals of the previous year (excluding Anantapur & Kurnool portion) of Rs.12,026.60 crore which is higher by Rs.1268 crore due to increase in metered sales by 11.5%. During 2015-16 the estimated revenue from sale of power for TSSPDCL is estimated at Rs.15,299.25 crore.

- c) **Net profit/loss during the year and the estimated revenue gap for the licensee for the current year:**

Particulars	Rs. in crore	
	2014-15 (Actual)*	2015-16 (Revised Estimates)
Supply Margin	11.93	8.61
ROCE / Interest	276.13	376.00
Total Financing Cost	288.05	384.61
Total Expenditure	16,303.40	19,901.96
Power purchase	13,301.51	16,427.32
Transmission charges	619.06	820.55
PGCIL / ULDC Charges	403.43	659.09
SLDC Charges	23.71	26.41
O&M (Gross)	1,404.45	1,270.43
Depreciation	476.04	561.63
Interest on consumer deposits	163.97	187.80
Special appropriations for safety measures		54.98
<i>Less: Expenses capitalised</i>	<i>88.76</i>	<i>106.23</i>
Other Costs		
ARR	16,591.45	20,286.57
Total Revenue	13,588.17	15,667.08
Non-tariff Income (Distribution Business)	252.52	326.16
Non-Tariff Income (Retail Supply Business)	40.86	41.67
Revenue at Current Tariffs	13,294.57	15,299.25
Revenue from Wheeling	0.22	
Regulatory Gap/ (Surplus)	3,003.29	4,619.49
Govt. Subsidy	1,014.35	723.79
Net Regulatory Gap/ (Surplus)	1,988.93	3,895.70

*Final C&AG audit is pending for FY2014-15.

- d) **Estimates for the Ensuing Year (FY2016-17):** The licensee has adopted a modified trend approach for projecting the category-wise sales for the ensuing year. As the name suggests, the licensee has considered the historical growth trend observed in the sales of categories adjusted for load relief given during FY2014-15 and the same has been moderated based on the other relevant inputs such as underlying economic growth drivers, number of

pending applications etc. The total sales forecast for key categories is as follows:

Sales/Forecast Sales (MU)	2015-16	2016-17
LT Category	17574.97	18,966
LT-I(A)(i); I(A)(ii); I(B)(i) & I(B)(ii): Domestic	6950.91	7676.08
LT-II(A); II(B); II(C): Non-Domestic/Commercial	2087.35	2315.06
LT-III: Industry	802.84	858.55
LT-IV(A); IV(B): Cottage Industries	9.33	9.66
LT-V(A); V(B); V(C): Agricultural	6931.23	7185.25
LT-VI(A); VI(B): Street Lighting & PWS Schemes	732.40	855.23
LT-VII(A); VII(B): General Purpose	60.33	65.63
LT-VIII: Temporary Supply	0.58	0.58
HT Category	12860.25	14699
HT Category at 11 kV	4623.50	5181
HT-I(A): Industry (General)	3057.73	3449
HT-I(B): Ferro Alloy Units	0.00	0.00
HT-II: Others	1353.00	1500.60
HT-III: Airports, Bus Stations and Railway Stations	6.03	6.64
HT-IV(A): Lift Irrigation and Agriculture	34.01	34.01
HT-IV(B): CPWS	49.76	58.33
HT-VI: Townships and Residential Colonies	84.66	93.60
HT Temporary	38.32	39.08
HT Category at 33 kV	5086.49	5586
HT-I(A): Industry (General)	4397.79	4847
HT-I(B): Ferro Alloy Units	57.35	58.48
HT-II: Others	554.36	596.87
HT-III: Airports, Bus Stations and Railway Stations	0.00	0.00
HT-IV(A): Lift Irrigation and Agriculture	22.69	24.89
HT-IV(B): CPWS	3.31	3.64
HT-VI: Townships and Residential Colonies	39.78	44.03
HT Temporary	11.22	11.44
HT Category at 132 kV and above	3150.25	3931
HT-I(A): Industry (General)	2322.47	2,470.56
HT-I(B): Ferro Alloy Units	158.55	179.78
HT-II: Others	56.67	61.16
HT-III: Airports, Bus Stations and Railway Stations	59.83	77.53
HT-IV(A): Lift Irrigation and Agriculture	391.72	792.07
HT-IV(B): CPWS	0.00	103.68
HT-V: Railway Traction	161.02	246.49
HT-VI: Townships & Residential Colonies	0.00	0.00
HT Temporary	0.00	0.00
Total	30435.22	33,665.20

e) Key Demand Drivers for FY2016-17: Some of the key drivers for the increase in the demand of the licensee have been highlighted below:

- **Water Grid:** The licensee expects a load of 36 MW in its area. These loads have been considered as follows –
 - LT-IV – 24 MW
 - HT-VI – 12 MW

- **Hyderabad Metro Rail:** The licensee expects a load of 36 MW in its area. These loads have been considered under categories as shown below –

- HT-II: Others - 11 MW
- HT-III: Railway stations - 7.5 MW
- HT-V: Railway Traction-HMR – 17.5 MW

A total of 63 MU has been considered for FY2016-17.

- **9 Hours Supply to Agriculture Consumers:** In line with the objective of Government of Telangana (GoTS) to provide 9 hours of supply to agricultural consumers, the licensee has considered 9 hours of supply to agricultural consumers from the existing 7 hours. However the licensee has not projected any additional quantum of sales due to increase in number of hours of supply due to lower water table because of poor rain-fall in the current year. A nominal growth of 3.6% over 2015-16 has been considered to account for new services released. However, providing 9 hours of supply to agricultural consumers is expected to have a significant increase in the peak demand and the licensee has contracted for additional power purchase to meet the peak demand.
- **Lift Irrigation (LI) Schemes:** Based on the data provided by Irrigation Department, the licensee expects the following LI schemes in its area in FY2016-17. A total of 372 MU has been considered for FY2016-17.

Sl. No.	LI Scheme	MW	MU
1	AMRP LLC LIS	12	23
2	Udayasamudram LIS	32	61
3	Mahatma Gandhi Kalwakurthy LI Scheme Stage-II	150	288
Total		194	372

- f) **Power Purchase Requirement for FY 2016-17:** The following are the key points considered by the licensee with regard to power purchase requirement by the licensee –

- Average PLF of 80% from TSGenco & APGenco thermal stations considered.
- New sources of energy considered:
 - 100% of TSGenco KTHPP-II: 600 MW from Feb'16.
 - TPCIL through DBFOO Long Term: 570 MW from Feb'16.
 - 100% of SCCL Power – 600 MW Unit#1 from Jun'16 and 600 MW Unit#2 from Jul'16.

- 1000 MW from bilateral sources considered from Jun'16 to Mar'17.
- 3,421 MU of hydel energy considered for FY2016-17.
- Allocation Principles
 - NCE – As per geographical location.
 - All other sources – 53.89% as per G.O.Ms.No.20, dated 29.05.2014.
 - Upcoming state Genco plants – KTPP Stage –II 100% share.
 - Medium Term: Capacity of 215 MW from KSK Mahanadi has been considered as existing source contracted through Case-I Medium term process upto Jun'16.
- The licensee has considered 20% PLF from IPPs under the Stranded Gas scheme of MoP.
- The overall energy scenario in FY2016-17 is given below

Particulars	FY2016-17
Energy Requirement (MU)	54,884
Energy Availability from Long Term & Medium Term sources (MU)	57,222
Surplus/Deficit	2,338

- The licensee has contracted for additional power from short-term sources to meet the peak demand in the state. The peak-demand in the state is expected to increase substantially due to supply of 9 hours of supply to agricultural consumers.

a) Power Purchase Cost Estimate for the state of Telangana for FY2016-17

- 2% escalation over variable costs during H2 of 2015-16 has been assumed for TSGenco & APGenco thermal stations and CGS.
- Fixed costs for existing stations have been considered as per the projections furnished by the respective generating station.
- The average Power Purchase cost at state level is projected to be at Rs.4.27/unit for FY2016-17. The estimated revenue gap for the licensee for FY2016-17 is as follows:

Particulars	2016-17 (Rs. in crore)
Aggregate Revenue Requirement	21,376.86
Total Revenue	17,208.16
Revenue from Current Tariffs (Net of incentives)	17,164.83
Non-Tariff Income	43.34
Revenue Deficit (-) /Surplus (+) at Current Tariffs	(4,168.69)
Revenue increase through proposed tariff	1,573.35
Net Deficit (-)/ Surplus (+)	(2,595.35)

15. **Tariff Proposals:** The licensee has proposed the following tariff for various consumer categories:

A) LT CATEGORY:-

Licensee proposes no change in fixed charges for all the LT categories of supply.

➤ **LT-I Domestic**

- Proposed energy charge:
 - LT-I(A)(i): Up to 50 units per month – Rs.1.45/unit.
 - LT-I(A)(ii): More than 50 units and upto 100 units per month
 - 0-50 slab – Rs.1.45/unit.
 - 51-100 slab – Rs.2.60/unit.
 - LT-I(B)(i): More than 100 units and upto 200 units per month
 - 0-100 slab – Rs.3.25/unit.
 - 101-200 slab - Rs.4.25/unit.
 - LT-I(B)(ii): More than 200 units per month
 - 0-200 slab – Rs.4.80/unit.
 - 201-400 slab –Rs.8.15/unit.
 - >400 – Rs.9.50/unit.

➤ **LT-II Non-Domestic/Commercial**

- Proposed energy charge:
 - LT-II(A): Up to 50 units per month – Rs.5.94/unit.
 - LT-II(B): Above 50 units per month
 - 0-50 slab – Rs.7.26/unit.
 - 51-100 slab – Rs.8.58/unit.
 - 101-300 slab – Rs.9.46/unit.
 - 301-500 slab – Rs.10.01/unit.
 - >500 – Rs.10.67/unit.
 - LT-II(C): Advertising Hoardings – Rs.12.87/unit.
 - LT-II(D): Haircutting Salons consuming less than 200 units per month [Haircutting Salons having consumption more than 200 units per month will be billed under LT-II(B)]
 - 0-50 slab – Rs.5.26/unit.
 - 51-100 slab – Rs.6.58/unit.
 - 101-200 slab – Rs.7.46/unit.

➤ **LT-III Industry**

- Proposed energy charge
 - LT-III(i): Industry (General) – Rs.6.79/unit.
 - LT-III(ii): Pisciculture/Prawn Culture – Rs.5.20/unit.
 - LT-III(iii): Sugarcane Crushing – Rs.5.20/unit.
 - LT-III(iv): Poultry Farms – Rs.3.82/unit.
 - LT-III(v): Mushroom & Rabbit Farms – Rs.6.36/unit.
 - LT-III(vi): Floriculture in Green House – Rs.6.36/unit.
 - Seasonal Industries (off season) under LT-III – Rs.7.53/unit.

➤ **LT-IV Cottage Industries**

- No tariff change for this category.

➤ **LT-V Agricultural**

- No tariff change for this category.

➤ **LT-VI Street Lighting and PWS Schemes**

- Proposed energy charge:
 - **LT-VI(A): Street Lighting**
 - Panchayats – Rs.6.27/unit.
 - Municipalities - Rs.6.82/unit.
 - Municipal Corporations - Rs.7.37/unit.
 - **LT-VI(B): PWS Schemes**
 - Panchayats – Rs.5.06/unit.
 - Municipalities - Rs.6.27/unit.
 - Municipal Corporations - Rs.6.82/unit.

➤ **LT-VII General Purpose**

- Proposed energy charge:
 - LT-VII(A): General Purposes – Rs.7.59/unit.
 - LT-VII(B): Religious Places – Rs.5.50/unit.

➤ **LT VIII Temporary Supply**

- Proposed energy charge – Rs.11.00/unit.

B) HT CATEGORY:-

Time of Day Tariffs: It is proposed to introduce an additional Time of Day (ToD) from 6 am to 10 am and an incentive from 10 pm to 6 am as a measure to reduce the morning peak and make the load curve flat. This is applicable for categories HT-I(A) Industry (General); HT-II Others; and HT-III Airports, Bus Stations and Railway Stations; as given below:

Description	During the Period	Proposed Tariff Over the Proposed Energy Charge for FY2016-17
Time of Day (ToD) Tariff	6 am to 10 am and 6 pm to 10 pm	Re.1/unit
Incentive	10 pm to 6 am	Rs.0.55/unit

➤ **HT-I(A): Industry-General**

- Proposed demand charge: Rs.398/kVA/month.
- Proposed energy charge:

Voltage Level	Sub-Category	Proposed Energy Charge (Rs./Unit)
HT-I(A): Industry-General		
11 kV	General	6.45
	Lights and Fans	6.45
	Industrial Colonies	6.45
	Seasonal Industries	7.85
	Poultry Farms	4.30
33 kV	General	6.02
	Lights and Fans	6.02
	Industrial Colonies	6.45
	Seasonal Industries	7.10
	Poultry Farms	3.87
132 kV and above	General	5.49
	Lights and Fans	5.49
	Industrial Colonies	6.45
	Seasonal Industries	6.88

➤ **HT-I(B): Ferro Alloy Units**

- No tariff change for this category.

➤ **HT II Others**

- Proposed demand charge: Rs.407/kVA/month.
- Proposed energy charge:
 - 11 kV: Rs.8.03/unit.
 - 33 kV: Rs.7.26/unit.
 - 132 kV & above: Rs.7.04/unit.

➤ **HT-III Airport, Bus Stations and Railway Stations**

- Proposed demand charge: Rs.407/kVA/month.
- Proposed energy charge:
 - 11 kV: Rs.7.70/unit.
 - 33 kV: Rs.7.04/unit.
 - 132 kV & above: Rs.6.60/unit.

- **HT-IV Irrigation & CPWS**
 - Proposed energy charge:
 - HT-IV(A): Lift Irrigation & Agriculture – Rs.6.44/unit.
 - HT-IV(B): CPWS – Rs.5.06/unit.
- **HT-V Railway Traction**
 - The license proposes to introduce sub-category HT V(B) HMR Traction.
 - Proposed Energy Charges:
 - HT-V(A): Railway Traction – Rs.7.48/unit.
 - HT-V(B): HMR Traction – Rs.7.30/unit.
- **HT-VI Townships & Residential Colonies (for all Voltage levels)**
 - Proposed demand charge – Rs.59/kVA/month
 - Proposed energy charge – Rs.6.60/unit
- **HT-VII Green Power**
 - Proposed energy charge – Rs.9.35/unit
- **HT-VIII Temporary**
 - Proposed demand charge – Rs.500/kVA/month.
 - Proposed energy charge – Rs.12.00/unit.

C) **Determination of Cross Subsidy Surcharge for FY2016-17:** As per the National Tariff Policy (NTP) notified by Ministry of Power (MoP) dated 28th January, 2016, the Cross Subsidy Surcharge (CSS) has to be determined based on weighted average cost of power purchase considering the requirement to fulfil Renewable Power Purchase Obligation (RPPO) by the licensee. The Licensee prays that the Hon'ble Commission may determine cross subsidy surcharge for open access transaction duly adopting the formula given in NTP notified by MoP on 28.01.2016.


D) **Determination of Additional Surcharge for FY2016-17:** The licensee prays that the Hon'ble Commission may determine the Additional Surcharge (AS) for Open Access consumers i.e., surcharge in addition to the charges for wheeling to meet the fixed cost of the licensee arising out of its obligation to supply as per subsection 4 of section 42 of the Electricity Act, 2003 including the fixed cost commitments of power purchase agreements.

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

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

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITEDApplicant
Through

Place: Hyderabad
Dated: 8th March, 2016


CHAIRMAN AND MANAGING DIRECTOR
CHAIRMAN & MANAGING DIRECTOR
Southern Power Distribution Company
of Telangana Limited (TSSPDCL)
Mint Compound, Hyderabad-500 063.

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

AT ITS OFFICE AT 5th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

CASE NO. _____/2016

In the matter of:

Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff for Retail Sale of Electricity for the year 2016-17 under Section 62 of the Electricity Act, 2003.

In the matter of:

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITEDApplicant
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**

The Applicant respectfully submits as under:

Affidavit of Applicant verifying the application filed under section 64 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 FY2016-17 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 I submit that for the reasons, and facts stated in the appended application this Applicant pray That the Hon'ble Commission may be pleased to

- (a) Take the accompanying ARR and Tariff application of TSSPDCL on record and treat it as complete;
- (b) Grant suitable opportunity to TSSPDCL within a reasonable time frame to file additional material information that may be subsequently available;
- (c) Consider and approve TSSPDCL's ARR and Tariff application including all requested regulatory treatments in the filing;
- (d) Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.



DEPONENT
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 8th day of March, 2016 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
CHAIRMAN & MANAGING DIRECTOR
Southern Power Distribution Company
of Telangana Limited (TSSPDCL)
Mint Compound, Hyderabad-500 063.

Solemnly affirmed and signed before me.



Director (Operations)
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.

