SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

From
Chief Engineer (RAC),
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TGERC,
Vidyuth Niyantran Bhavan,
GTS Colony, Kalyan Nagar,
Hyderabad – 500 045.

Lr. No.CE(RAC)/SE(RAC)/DE(RAC)/F. e-685635/D.No. 458/24, Dt: 16 -10-2024.

Sir,

Sub: TGSPDCL – Responses to the objections raised by the objectors in the matter of filings of Aggregate Revenue Requirement (ARR) of Distribution Business & determination of Wheeling Tariff for 5th Control Period i.e., FY 2024-25 to FY 2028-29, as per MYT Regulation No.2 of 2023 – Information Submission - Reg

* * *

The Licensee is herewith submitting the replies to the objections raised by the objectors in the matter of filings of Aggregate Revenue Requirement (ARR) of Distribution Business & determination of Wheeling Tariff for 5th Control Period i.e.,FY 2024-25 to FY2028-29, as per MYT Regulation No.2 of 2023 with a request to kindly place the same before the Hon'ble Commission for approval.

Encl: Replies to the objections

Yours faithfully,

Chief Engineer (RAC)
Name: Ch.Chakrapani
Designation: CE (RAC)
Mobile No: 8985322897
Email Id: ractsspdcl@gmail.com

Southern Power Distribution Company of Telangana Ltd (TGSPDCL)

Responses to Objections / Suggestions

On

Filings of Aggregate Revenue Requirement (ARR) of Distribution Business and Determination of Wheeling Tariff proposals for 5th Control Period i.e., FY 2024-25 to FY 2028-29

INDEX

1. Response to Sri M. Venugopala Rao for queries pertaining to Distribution ARR Filings by TGDiscoms

<table>
<tr><td rowspan="2">S.No.</td><td colspan="2">M. Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Serilingampally Mandal , Hyderabad - 500 032</td></tr>
<tr><td>Summary of Objections / Suggestions</td><td>Response of the Licensee</td></tr>
<tr><td>1</td><td>1. TGDISCOMs have submitted the following projections for their distribution business for the 5th control period:

<table>
<tr><td></td><td>2024-25</td><td>2025-26</td><td>2026-27</td><td>2027-28</td><td>2028-29</td></tr>
<tr><td>SPDCL:</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total capex</td><td>4,794</td><td>5,785</td><td>7.194</td><td>7,180</td><td>7,504</td></tr>
<tr><td>ARR (Rs.crore)</td><td>5,663</td><td>6,525</td><td>8,415</td><td>9,750</td><td>11,166</td></tr>
<tr><td>Contracted capacity (MVA)</td><td>3,788</td><td>3,928</td><td>4,074</td><td>4,227</td><td>4,386</td></tr>
<tr><td>Wheeling charges (Rs/kVA/month)</td><td>440</td><td>475</td><td>575</td><td>623</td><td>668</td></tr>
<tr><td>NPDCL:</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total capex</td><td>1,584</td><td>1,947</td><td>2,887</td><td>2,667</td><td>2,731</td></tr>
<tr><td>Capex (smart meters)</td><td>356</td><td>534</td><td>1,246</td><td>820</td><td>604</td></tr>
<tr><td>ARR</td><td>3,714</td><td>4,167</td><td>5,272</td><td>5,922</td><td>6,608</td></tr>
</table></td><td>No Comments</td></tr>
</table>

<table>
<tr><td></td><td>Contracted capacity 3,788 3,928 4,074 4,227 4,386

Wheeling charges 817 884 1,078 1,168 1,255

For NPDCL, total capex includes capex for smart meters.

Both SPDCL and NPDCL have projected availability of surplus power, in their ARR submissions for retail supply business for the 5th control period, as given hereunder (in MU):

SPDCL 18,232 30,635 27,106 25,195 19,315

NPDCL 5,135 12,307 12,668 13,381 12,364

Total 23,367 42,932 39,774 38,576 31,679</td><td></td></tr>
<tr><td>2</td><td>As per the capital expenditure projected by the DISCOMs, as approved in the distribution and resource plans for the 5th control period by the Commission, compared to SPDCL’s projections, the contracted capacity and capex projections of NPDCL are very much lower. However, wheeling tariffs proposed by NPDCL are almost double the projections of SPDCL. Even if higher agricultural consumption of NPDCL compared to that of SPDCL is taken into consideration, it is to be examined in comparison with capex proposed by NPDCL whether such higher wheeling charges proposed by NPDCL are justified.</td><td>The wheeling charges for Discoms have been computed at an aggregate level by considering Discom’s aggregate revenue requirement and contracted capacities.</td></tr>
<tr><td>3</td><td>In view of availability of abnormal quantum of surplus power during the 5th control period, as projected by the DISCOMs, it is to be clarified whether the projected surplus power also is taken into account for the contracted capacity projected by them. If so, addition of distribution network capacity and projected capital expenditure would be unwarranted, as such a capacity would become idle.</td><td>Telangana’s power demand has been growing at rapid pace. For instance, as evident in the peak demand of Hyderabad in FY 2024-25, it has registered one of the highest power demanded by any of the Indian metropolitan cities. This clearly indicates that capacity augmentation works need to be kept in tune with the rapid growth in power demand which is primarily being driven by growth in service sectors. Hence it is reasonable to believe that capacities would not become idle going further.</td></tr>
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4	In response to the query of the Hon'ble Commission, both the DISCOMs have agreed to recalculate their requirements for 90% of the capacities, as they have segregated assets for wheeling business and retail supply business in the ratio of 90:10, respectively. The Hon'ble Commission is expected to consider the revised projections submitted by the DISCOMs for their distribution business for the 5th control period subjecting them to prudence check. As such, their projected ARR and wheeling charges should come down.	The revised submission which segregates the assets for distribution and retail supply business has been submitted to the Honorable Commission for their consideration
5	The DISCOMs have proposed aggregate distribution losses and charges irrespective of the voltage level, i.e., 33 kv, 11 kv and LT, on par with inter and intra-state transmission system to mitigate financial losses and requested the Hon'ble Commission to approve the same. I request the Hon'ble Commission to examine the following points, among others: a) Determination of aggregate distribution losses and charges irrespective of the voltage levels would increase burden of consumers drawing power at higher KV level. In other words, consumers at higher levels of KV will have to cross subsidise consumers at lower KV levels, in addition to the cross subsidy, if any, they are paying already as a part and parcel of the tariffs being determined by the Commission. b) It is an accepted principle, reality and standard practice that distribution losses and distribution costs at different levels of KV are different. That is the reason why successive Commissions have been determining different wheeling charges at different levels of KV. c) If the principle of uniformity proposed by the DISCOMs is acceptable and accepted, then, the same principle should be implemented for working out	The proposal for moving towards uniform wheeling charges and losses similar to the systems adopted by inter state and intra state transmission system would lead to a simplified tariff structure, bring in transparency in billing process and would help in streamlining the process of grid planning going further. This would also help in improving administrative efficiency and lead to better resource allocation and lesser disputes related to undue variations in wheeling charges being levied on consumers. Further with distributed generation picking up pace, every consumer going further would become a prosumer and voltage wise segregation for levying wheeling charges may be of very little significance.

	cost of service to all categories of consumers in the entire state, irrespective of the level of KV at which they are being served. d) The contention of the DISCOMs that notification dated 17th January, 2024, on formula for computation of wheeling charges, with the proviso that the appropriate Commission may determine the wheeling charges at different voltage levels separately, is only a suggestion by MoP, GoI, and not mandatory is untenable. The very fact that the MoP, GoI, is constrained to issue the said notification, as a matter of correction to its notification dated 10.1.2024, within one week, itself is an admission that its first notification is deficient and does not recognize the authority of the Hon'ble Commission. Section 79.2 of Regulation No.2 of 2023 of TGERC says: "provided further that the Wheeling Charges shall be determined separately for LT voltage, 11 kv voltage, and 33 kv voltage, as applicable." The Commission is expected to follow its Regulation, unless it is amended.	
6	In support of their proposal for uniform wheeling charges, the DISCOMs have contended that a) The roof-top solar installations are increasing at a rapid pace under Net Metering/Gross Metering/PM Surya Ghar schemes launched by GoI. As such when the consumer loads under such metering are low, the surplus power generation will flow in reverse direction to 11 kv system. b) B) In PM-KUSUM Comp-'C', the solar power plants of capacities 0.5 to 2 MW are coming up in 11 kv system at rapid pace. During non-agriculture loads periods, the solar power generated will flow in reverse direction to 33	Intermittency of power generation prevalent with RE technologies such as solar and wind are inherent in nature due to externalities such as whether conditions, time of day, time of season etc. However, RE power projects are known for lower levelized cost of tariffs which can help Discoms in optimizing its power purchase cost, the benefits of which shall be passed on to the consumers of Discoms. Further, with Government of India's vision of increasing the share of RE consumption in India's consumption mix will lead to increased RE uptake going further. The Discoms have factored in all of the above scenarios as currently we are in a cusp of energy transition with more focus on sustainability. Hence, with distributed generation expected to

	kv system. c) In PM-KUSM Comp-‘B’, Grid tied Solar pump sets, during the periods of non-operation of solar pump sets after yielding crops, the solar power generated will flow in reverse direction to 33 kv system. d) Reduction in the cost of the Solar Panels and rules and regulations framed by the Government are encouraging the installation of Solar power plants and is increasing rapidly and there is a possibility of reverse flow of the power from 11kv to 33 kv system. e) Hybrid Solar and Wind system are coming up leading to continuous generation of power and there is a possibility of Reverse flow of power during the periods of Low-loads. f) Battery Energy Storage System may come up under LT and 11 kv systems and there is a possibility of reverse flow of power during the periods of Low-loads from 11 kv to 33 kv system. g) Under the above stated conditions of distributed power generation scenarios, the Distribution Losses will increase and the Licensee will always face High Energy Losses in the Network burdening with high Network Cost. These are some of the issues, and there are many more problems, both technical and financial, with renewable energy, connected with intermittence and integration of RE with the grid. We had made elaborate submissions on the problems associated with RE, in our submissions made earlier on the proposals of RPPO made by the Commission and in our other submissions made earlier. Governments and the DISCOMs are not concerned with such problems and additional burdens, when long-term PPAs are entered into with developers and middle-man public utilities of the GoI like SECI and NVVNL for purchase of RE indiscriminately, and they extol the	garner pace in the medium to long run, Discoms have proposed for uniform wheeling tariffs similar to the regime adopted with intra-state and inter-state transmission systems.

	virtues of RE, international commitments given by Prime Minister Modi on adding RE, need for environmental protection, etc. What has constantly been ignored is the need for maintaining equilibrium to the extent technically practicable between demand curve and power mix, when entering into long-term PPAs and regulatory consents to the same are being given. When, as a result of implementing the policies of the GoI, problems with RE are arising, GoTS and its DISCOMs should demand the GoI to compensate them for the same, instead of penalizing the consumers by imposing avoidable additional burdens on them.	
7	DISCOMs should have submitted details of the problems that have been faced as a result of purchasing unwarranted RE under long-term PPAs during the 4th control period like backing down thermal power and paying fixed charges for the same in order to purchase high-cost and must-run RE and purchasing power at higher costs in the market to meet peak deficit as RE cannot meet it.	Noted.
8	GoTS, its DISCOMs and the Commission are expected to take a holistic and balanced view when entering into, or giving consents to, PPAs with new power plants, especially RE units, in order to ensure balance between demand curve and power mix to the extent technically practicable. Such an approach is imperative when targets under RPPO are determined. Interests of the state should be important and outweigh the declarations or notifications of the GoI. Availability of abnormal quantum of surplus power, unwarranted quantum of RE and the financial and technical problems associated with them are indicative of the failures of commission and omission in this regard on the part of the powers-that-be, as experience over the years has been proving.	Noted.
9	DISCOMs should have submitted consolidated and comprehensive account of their distribution business during the 4th control, giving details of expansion of network, capital cost incurred, results achieved vis a vis targets, whether they exceeded expenditure approved by the Commission, surplus power backed down and fixed charges paid therefor, etc. Similarly, they should have submitted details of their achievements or otherwise of various targets under other capex and results thereof.	The proposed asset additions has been estimated on the basis of the growth in sales, and the required infrastructure to support such growth in sales. Further, the Licensee submits that the proposed asset additions would be capitalized as per prevailing regulations / norms and the same will be reflected in the true-up’s for the respective time

	Also, the DISCOMs should have submitted consolidated details of their claims for true-up or true-down for the 4th control period. Examination of all these would help examine and determine requirements for the 5th control period and issuing MYT order by the Hon'ble Commission in a realistic manner. This is all the more necessary, as, compared to growth in contracted capacity projected for the 5th control period, growth in expenditures, ARR and wheeling charges is relatively higher. So is the case, when all these factors projected are compared with those of the last year of the 4th control period, i.e., 2023-24.	period.
10	2. For smart meters, TGNPDCL has projected an expenditure of Rs.3560 crore for the 5th control period. TGSPDCL has not shown it separately. The Hon'ble Commission has already directed the DISCOMs to take steps for installation of prepaid smart meters with latest technology for "all interested consumers." At the same time, the Commission also directed the DISCOMs to submit "a time bound action plan for replacement of existing meters with prepaid smart meters with two way communication in the interest of revenue realisation of the DISCOMs." If prepaid meters are to be installed for "all interested consumers," it is left to the discretion of the consumers. Then, where is the need for a time-bound action plan for replacement of existing meters with prepaid smart meters? How many consumers have consented for installation of pre-paid meters? I once again request the Hon'ble Commission to reexamine the following points, among others: a) This move is to be seen in the background of the so-called reforms being imposed on the states by the Modi government for privatising power sector, and in conjunction especially with privatisation of power distribution and implementation of the direct benefit transfer (DBT) scheme. Implementation of RDSS, including installation of pre-paid meters, is to benefit the private operators, who will be permitted to take up power distribution in areas of their choice, as proposed by the GoI. b) It is obvious that, the purpose of installing pre-paid meters is to force the consumers of power to pay in advance for power to be consumed by them,	Installation of smart meters / replacement of existing energy meters with smart meters is a measure that will bring in more efficiency in Discoms' billing and collection process. This will ultimately lead to better service delivery by Discoms and ultimately the benefit for the same will be passed on to the consumers. As smart meters installation is a country wide exercise being done basis guidelines / policy measures by Ministry of Power, Government of India, it is apt that TGDiscoms budget the capital expenditure that would be incurred for smart meters installation for its consumers.

	contrary to the standard practice over the decades of paying power bills monthly/bi-monthly for the power consumed by them. What is wrong with the present post-paid arrangement and what is the benefit and to whom with pre-paid arrangement under the proposed smart meters is left unexplained by its sponsors. c) As proposed by the GoI, private operators will be permitted to use the existing transmission and distribution networks of the DISCOMs of the government, paying some nominal rentals for carrying on their distribution business. In other words, they need not invest the amounts required for establishing their own distribution network, make arrangements for its maintenance, etc. d) Allowing private operators to use distribution network of the DISCOMs or rather, forcing the DISCOMs to allow private operators to use their network on lease, with DISCOMs themselves maintaining the network, is nothing but forcing the latter to lose a considerable part of their business, especially cross-subsidising component, to private operators, who get the opportunity to cherry-picking. Will the GoI apply this Tuglaquian approach to allow utilisation of such networks of private companies in this manner, for example, utilising the network of private telecom companies by others? e) The protagonists of pre-paid meters are arguing that pre-paid arrangement is there for cell phones. Then, why not similar arrangement for power consumption also, they ask. First, there is post-paid arrangement for cell phones and landlines. Second, under pre-paid arrangement for a specific period, there is no limit on number of calls that can be made. In the case of power consumption, consumers have to pay for the entire power they consume in a month; they are not allowed to consume any number of units of power during a specified period, pre-paying a specified amount. f) The DISCOMs have a grace period of one month to pay bills to generators/suppliers of power for the power supplied by them and even rebate if they pay before the grace period. Under the existing arrangement, consumers are being given a period of 14 days from the date of issuing the	

	bill for paying their bills for power consumed by them in a month. If payment of monthly bill is delayed, exceeding the due date, penalty is being collected by the DISCOMs, besides disconnecting the service. Moreover, all the permissible expenditure and return on equity for supplying power to consumers from the point of generation to end point is being passed through in the form of tariffs to be paid by the consumers. When such is the case, why should the consumers be forced to pay in advance for power to be consumed by them under the arrangement of pre-paid meters? g) As per applicable Regulation, "security deposit amount shall be two months charges in case of monthly billing and 3 months charges for bi-monthly billing." In addition to collecting such a security deposit from the consumers, the DISCOMs also are collecting additional security deposit whenever the consumers exceed their contracted load. Then why should the consumers be forced to pay in advance for power to be consumed by them under the arrangement of pre-paid meters? h) Payment in advance for power to be consumed by the consumers is nothing but providing investment for private distribution company to purchase of power. Private distribution companies need not take loans for their working capital and they can retain the amount paid in advance by the consumers and use as they like till they have to pay for power purchased by them from generators/suppliers. In other words, private operators of distribution need not invest any amounts for developing and maintaining distribution network and for purchasing power. Arrangement of pre-paid meters is intended for bestowing this undue benefit to private operators. i) The works proposed to be taken up under RDSS need to be, and are being, taken up by the DISCOMs as a part and parcel of expanding, strengthening and maintaining their distribution network. For that no conditionalities, as imposed under RDSS, are required. The grant component under RDSS is a ruse to impose conditionalities like installation of pre-paid meters to ensure undue benefits to private operators of distribution of power. j) Whatever money the DISCOMs spend for purchasing and installing pre-paid	

	meters is nothing but squandering public money, whether it is collected from the consumers concerned or spent from the grant under RDSS. The consumers have already spent their money for their existing meters. Forcing them to pay for pre-paid meters is nothing but imposing additional burden on them without any benefit to them. k) The scheme of pre-paid meters benefits their manufacturers. Experience in power sector, as elsewhere in other sectors, shows that terms and conditions of bidding can be manipulated to select bidders of their choice by the powers-that-be. Bidding procedures and terms and conditions issued by the GoI have been found to be wanting in ensuring transparency and fair play, going by the way crony capitalism is being promoted and pampered. It is reported that crony capitalists, who have been promoted and pampered by the GoI, have already entered into manufacturing of pre-paid meters. l) There will be practical problems to consumers for paying in advance for power to be consumed by them under the system of pre-paid meters. How much amount and how many times they have to pay in a month, keeping track of their consumption recorded in the pre-paid meter to avoid disconnection and mode of such payment will be problematic to the consumers. m) Under smart pre-paid meter, if a consumer does not pay after the existing balance exhausts, his service connection will be disconnected automatically. If a consumer does not pay power bill before due date under the existing post-paid arrangement, his service will be disconnected after due date. The DISCOMs are unable to disconnect service connections of offices of the government and its instrumentalities and local bodies, whatever be the reasons. Even under pre-paid meter system, there is no guarantee that the DISCOMs would not come under pressure not to disconnect services of offices of the government, its instrumentalities and local bodies for their default in paying power bills. It is ironical that, when the GoTS is failing in getting power bills paid by its offices, its instrumentalities and local bodies in time and itself failing in paying the committed subsidy to the DISCOMs in time, it is decided to install pre-paid meters to service connections of power	

	consumers. n) When the GoTS is vehemently and rightly opposing the direction of the GoI for installing meters to all agricultural service connections, why are the DISCOMs moving in the direction of installing pre-paid smart meters to non-agricultural service connections? o) Neither the governments, nor the Central Electricity Authority, nor the DISCOMs, nor ERCs have any power to direct installation of pre-paid meters, without willingness of the consumers concerned to take the same. Section 47(5) of the Electricity Act, 2003, says, "A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter." Directions or orders of the authorities cannot override the applicable law. Has the Hon'ble Commission given its approval to the DISCOMs for procurement of pre-paid meters, and, if so, with what conditions? If consumers do not opt for pre-paid meters, what will the DISCOMs do with the pre-paid meters purchased or to be purchased by them? We once again request the Hon'ble Commission to examine the above-mentioned submissions, among others, and responses of the DISCOMs thereto and direct them not to proceed with implementation of installation of pre-paid meters to service connections of consumers of power in the state, without the consumers opting for the same.	
11	3. As per the MYT Regulation No.2 of 2023, TGDISCOMs should have filed the subject petitions for the 5^{th} control period before 2nd January, 2024. However, they have submitted the subject petitions on 19.9.2024 going by the date shown in the subject petitions. In other words, there is a delay of nearly seven months and 17 days. The reasons given by the DISCOMs for the avoidable delay are not justifiable. We request the Hon'ble Commission to	The Hon'ble Commission had passed the MYT Regulation No. 2 of 2023 on 31^{st} December 2023 in which a new regulatory regime was proposed and there were changes introduced in the calculation methodology as well as introduction of new tariff components. With so many changes introduced, it would be impractical for TG Discoms to adopt to the new regulatory regime, collect the necessary data required for computation of new line items in the ARR and file for

	consider the following points: a) TG DISCOMs submitting their filings for distribution business for the 4th control period on 16.12.2019 and the Hon'ble Commission passed its orders on 29.4.2020 "after comprehensive public consultation process on the filings," it is explained in the subject petitions. Similarly, the DISCOMs should have submitted the subject petitions on or before 2.1.2024, as directed by the Hon'ble Commission in its letter dated 22.11.2023. The Hon'ble Commission rejected twice the requests of the DISOMs to extend time for filing their petitions for the 5th control period. Even while considering, in its interim order dated 15.3.2024, on interlocutory applications filed by the DISCOMs for continuation of existing retail supply tariffs for retail supply business, wheeling tariffs and wheeling losses for distribution business as applicable on 31.3.2024 pending disposal of the petitions finally, the Hon'ble Commission directed the DISCOMs to file their regular petitions for determination of ARR and retail supply tariffs, CSS, wheeling charges and losses for the 5th control period "immediately." However, going by the said public notices, inviting objections and suggestions from interested public on the subject petitions, etc., it is clear that the Hon'ble Commission has condoned the avoidable delay in filing the subject petitions, etc. b) Having got the approval of the Hon'ble Commission for their capital investment plan in resource plan for the 5th control period, the DISCOMs should have filed the subject petitions, etc., well in time, since they have claimed that they have filed the same "based on a comprehensive analysis of state of the existing network loading conditions and the expected future loading of the network during each year of the 5th control period based on the projected load growth on 01.04.2023."	proposed tariffs within 3 days (2nd January 2024) of new regulation passed. a) TG Discoms have filed the condonation of delay petition before the Hon'ble Commission with all the reasons stated. The decision for accepting/ rejecting the condonation of delay petition rests solely with the Hon'ble Commission b) TG Discoms have mentioned the reasons in the Condonation of Delay petition filed before the Hon'ble Commission c) The timelines for filing of objections rests solely with the Hon'ble Commission. Moreover, Hon'ble Commission has also additionally allowed admission of further objections during the time of public hearing.

	c) Public notices given on eight petitions - four of the TGDISCOMs, including the subject petitions, two of TGTRANSCO and SLDC, one of CESS Limited, Sircilla, and another one of TGGENCO for for true-up for FY 2022-23 and MYT for the 5th control period, that the same period of three weeks for filing objections and suggestions is overlapping. These petitions and additional information submitted to the Commission run into hundreds of pages. Moreover, the DISCOMs, on the direction of the Hon'ble Commission have issued public notices with corrigendum which are published in selected newspaper on 26.9.2024. It has been the standard practice that a time of four weeks used to be given for filing objections and suggestions on ARR and tariff proposals of the DISCOMs alone. Now that just a period of three weeks is given for filing suggestions and objections in eight petitions, i.e., two and a half days per petition on an average! Needless to say that it is impossible to study the petitions and related issues, analyse them and prepare submissions in a meaningful, comprehensive and purposeful manner for any informed and serious objector for filing the same within the unreasonably short period given. While the last date for filing objections and suggestions is 11.10.2024, public hearings are scheduled from 21 to 25th October, 2024. The GoTS and its DISCOMs and other utilities know full well that the Hon'ble Chairman and Members of TGERC are going to retire on the 29th October, 2024. In other words, after completing public hearings, the Hon'ble Commission is left with just four days to finalise and issue its orders on all these petitions! How did the GoTS and its power utilities expect the Hon'ble Commission to complete its due regulatory process on all these petitions within such a short period with "comprehensive public consultation process on the filings" is inexplicable and incomprehensible. MYT Regulation, 2023 says : "The Commission shall, within one hundred and twenty (120) days from admission of the Petition, and after considering all suggestions ad objections received from the public: a) issue a Tariff Order accepting the Petition with such modifications or conditions as may be stipulated in that Order" (section 10.1(a)).	

	This has been the position in the earlier regulations also and practice over the years. It is obvious that all these petitions are filed belatedly, deliberately, erroneously, incompletely, defying the applicable regulations and directions of the Hon'ble Commission and almost simultaneously with an intent to get the entire regulatory process stifled, without adequate time available to the objectors and the Hon'ble Commission, if orders are to be issued before retirement of the Hon'ble Chairman and Members.	
12	The intent of the Hon'ble Commission might be to see that orders are given in the said petitions before retirement of the Hon'ble Chairman and Members so that new tariffs come into force, may be, from 1st November, 2004. But the reality is that, with the approvals given by the Commission permitting the DISCOMs to collect tariffs during 2024-25 as per the tariffs fixed by it for the FY 2023-24 till the petitions concerned are disposed of finally, they have been collecting tariffs accordingly so far, may be, with subsidy being released by GoTS every month, and will continue to do so till new tariffs come into force, if the present Commission gives orders required. New tariffs have to come into force with prospective effect, not with retrospective effect, as has been the standard practice over the years. In other words, if at all the Commission gives its orders in the said petitions before retirement of its present incumbents, the new tariffs will be applicable for a period of five months from 1st November, 2024. Even if orders are not given accordingly in extraordinary hurry, making the regulatory process a mere formality for the reasons explained above, the applicant utilities will have the option of claiming true-ups next year for the five-month period also, as they may do for the first seven-month period. The DISCOMs filed true-up claims accordingly for a period of seven years, including the three consecutive years for which they were not allowed by the then TRS government earlier to file their ARR and tariff proposals. Even if the Commission does not take up the eight petitions for consideration and give its orders, collection of tariffs, as already permitted by the Commission will continue till the end of 2024-25. Therefore, it is desirable that the Commission leave the regulatory process to be conducted in the said eight petitions by successors of its present incumbents. MYT	No Comment

	regulation, 2023, says that the Commission shall "reject the Petition for reasons to be recorded in writing if such Petition is not in accordance with the provisions of the Act and the rules and Regulations made thereunder or any other provisions of law, after giving the Petitioner a reasonable opportunity of being hears." Here, it is not rejection of the said petitions, but postponement of the regulatory process to be taken up by the new Commission, for the reasons that the petitions are filed belatedly, defying regulations and directions of the Commission, and that time required for the regulatory process to be completed in a meaningful and fruitful manner is absolutely inadequate.	
13	Both the TGDISCOMS have shown an estimated revenue gap of Rs.13,373 crore for the FY 2023-24 - SPDCL Rs.10,060 crore and NPDCL Rs.3313 crore – without even collecting the FSA amounts permitted by the Commission. However, they have not filed petitions for true up of the same. When the GoTS and its DISCOMs feel that there is no urgency for filing true-up petitions for the huge revenue gap estimated by the DISCOMs for the last financial year, the urgency for new tariff orders for a period of just five months during 2024-25, that, too for an additional revenue of Rs.1221 crore for the whole FY, in an extraordinary hurry giving go-by to requirements of regulatory process as per applicable regulations and making the regulatory process a formality, is questionable.	The filings of true up application would be filed separately along with Annual Performance Review of Distribution Business for FY 2023-24. Moreover, any tariff changes proposed in the FY 2024-25 Tariff order would only be prospective in nature
14	It may be noted, in this connection, that filings for ARR and tariffs for FY 2025-26 have to be filed by 30th November, 2024. The GoTS knows the date of retirement of the Hon'ble Chairman and Members of the Commission and need for appointing new Chairman and Members in time to facilitate functioning of TGERC as a continuous process. The process for appointment of Chairman and Members should be started six months before vacancies for these posts arise. However, there is no indication that GoTS has started such a process. If new Chairman and Members are not appointed in time, the Commission will become defunct till such appointments are made, as happened for a considerable period of time during the then TRS regime.	No Comment

15	I once again request the Hon'ble Commission to give a piece of advice to GoTS and its power utilities to withdraw the said petitions or leave the regulatory process on the petitions to be taken up by the successor Commission in all fairness to facilitate a comprehensive study and analysis of the issues both by the interested public and the Commission as a part and parcel of its regulatory process in a meaningful and fruitful manner. I request the Hon'ble Commission to consider the above-mentioned submissions in conjunction with my earlier submissions dated September 23, 2024, filed in OP No. 16 of 2024 and IA No.15 of 2024 and OP No.17 of 2024 and IA No.16 of 2024 relating to ARR and tariff proposals of the TGDISCOMs for the 5th control period.	No Comment

2. Response to Sri S.Surya Prakasa Rao		
S.No.	**Summary of Objections / Suggestions**	**Response of the Licensee**
B - 2	The main proposal of tariff revision in these filings is equating the energy charges of 33kv and above category Industrial-General consumers with that of 11 kv Industrial-General category and some other categories. This is unreasonable and irrational for the following reasons: a). The statutory guidelines u/s 61 of the Electricity Act mandate among others, (i). Safeguarding consumers' interest and at the same time recovery of cost of electricity in a reasonable manner (ii). Tariff progressively reflects the cost of supply of electricity and reduces the X-subsidies in the manner specified by the Appropriate Commission (iii). Appropriate Commission shall be guided by the National Electricity Policy and Tariff Policy b). National Electricity Policy observes that X-subsidies hide inefficiencies and should be reduced progressively and gradually. The Tariff Policy requires the Commissions to notify road map to bring tariffs within +/-20% of Average Cost of Supply. c). With the proposed increase of energy charges from Rs.7.15 to Rs.7.65 / unit for 33kv and from 6.65 to 7.65 / unit for 132 kv, the tariff for Industrial-General consumers will work out to Rs. 8.57 / unit including the component of about 92	As per the clause 8.3(2) of the National Tariff policy- 2016, the Commission should notify a roadmap such that tariffs are brought within +/- 20% of Average Cost of Supply. The licensee would bring to the notice of the Hon'ble Commission that projected Average Cost of Supply for FY 2024-25 for the licensee is higher than approved Average Cost of Supply for FY 2023-24. In order to ensure cost recovery, the licensees have proposed to increase in tariff in light of increase of costs. The licensee would also like to mention that the cross-subsidy surcharge has been computed as per Clause 8.5 of the National Tariff Policy-2016. Further, the objector has mentioned about creation of regulatory asset. However, clause 8.2.2 of the National Tariff Policy-2016 mentions that under business-as-usual conditions, no regulatory asset shall be created. Moreover, as per clause 23 of Electricity (Amendment) Rules, 2024 there shall not be any gap between approved ARR and revenue from approved tariff except under natural calamity conditions. Hence the licensee is not in favor of

	paise per unit towards Demand Charge @ Rs. 500/Kva/ month at 75 % load factor. d). Cost of Supply as per filings (para 6.3.2) 11kv Industrial-General : Rs.7.63/unit 33kv Industrial-General : Rs. 5.64/unit 132kv Industrial-General : Rs. 5.13/unit e). Thus these 33kv and 132 kv consumers will be contributing X-subsidy of about Rs.3 / unit and Rs.3.50 / unit respectively, which works to about 50 % of COS for 33kv and 65 % of COS for 132kv Industrial-General category consumers which is highly exorbitant and prohibitive. f). In these filings, the Discom proposed X-Subsidy Surcharge for Open Access consumers at Rs.1.68 / unit for 33kv and Rs. 1.58 / unit for 132kv consumers. It is unfair to charge tariff which contains X-subsidy component of Rs 3 to 3.5 / unit to its own consumers which is 100% higher compared to open access consumers. Suggestions : (i).In view of the circumstances explained by the Discom for the delay in the filings and in view of the position stated above, Hon'ble Commission may retain the existing tariffs across the board for all categories of consumers including HT. (ii). As the Revenue Deficit may increase marginally consequent to correction in growth rates of sale of energy under subsidizing categories, the Net Revenue Deficit (after accounting for the subsidy by State government u/s 65 of the Act) may be treated as a Regulatory Asset and its recovery may be spread equally over the balance 4 year period of the 5th Control Period (2025 – 29) in the interest of consumers as well as Discom.	creating a regulatory asset. Full recovery of costs incurred by the licensee through tariff will help improve its financial position, enabling licensee to provide quality and uninterrupted supply to its consumers

B - 3	The following broad picture emerges from the filings of the Discom for 2024-25 (figures rounded off please) : Energy sales Sales to LT consumers : 29,903 MU (48 %) Sales to HT consumers : 25,456 MU (41 %) Energy losses : 6,677 MU (11 %) Total Energy Requirement: 62,036 MU Revenues at current tariffs Annual Revenue Requirement: 40,788 Crs Revenue from LT sales : 12, 716 Crs (31%) Revenue from HT sales: 21, 940 Crs (54 %) Revenue from other sources : 94 Crs Revenue Gap : (-) 5,957 Crs (15 %) After apportioning the energy losses between HT and LT sales, the HT categories consume about 45 % of total energy and contribute 54 % of total Revenues while LT categories consume about 55 % of total energy and contribute only about 31 % of total Revenues leading to revenue deficit of about 15 % . Cost of Supply Cost of Supply at LT : Rs. 8.62 / unit Cost of Supply at HT : Rs. 5.89 / unit Average Cost of Supply : Rs.7.37 /unit Average Realisation and C-R ratio LT supply : Rs 4.25 /unit ..... 49. 30 % HT supply : Rs. 8.90 /unit .... 151. 00 % Thus it's expedient for the Discom to sustain / improve the energy sales to subsidizing categories under HT and LT with appropriate initiatives /relaxation in terms and conditions of supply if necessary. Any proposal to increase tariff of these categories will be counter productive to the objective of improving Revenues and financial health of Discoms.	The sales of subsidizing categories depend on multiple factors such as nature of the industries and production cycle basis the market dynamics. The voltage wise, category wise Retail tariff proposed by the DISCOMs in the filings are within +/- 20% of ACoS as per NTP 2016. Uniform wheeling charges are proposed to recover the Fixed Cost of the DISCOM due to switching over of the consumers to Open Access.
B - 4	Electrical Accidents: (items 8 and 9 under earlier Directives and item 6 and 7 under new Directives)	The electrical accidents occurred in TGSPDCL during the FY 2023-24, it is to be noted that out of 288 fatal accidents occurred,

	The Discom stated that the root-cause analysis was made as directed by the Commission and report submitted in its Lr.dt.22-6-2024. The Discom also stated that the awareness programs are being conducted and safety equipment is provided to the O&M staff to avoid Electrical Accidents. Discom stated that Rs.3.03 Crs, Rs.2.86 Crs and Rs.3.56 Crs was spent during 2021-22, 2022-23 and 2023-24 respectively. This is appreciable. In this context, it's necessary to refer to the CEA (Measures for Safety and Electricity Supply) Regulations 2010. Clause 5 the said Regulations requires Discoms to appoint Safety Officers to ensure observance of Safety Measures. Suggestions: I suggest that Hon'ble Commission may issue Directions to the Discoms to appoint Safety Officer for each Discom if not for each Operation Circle, apart from improvement of Distribution Infrastructure already directed. Further , the Electrical Inspectorate under Chief Electrical Inspector to Government (CEIG) is the authority to investigate Electrical Accidents and to suggest rectifications under the scheme of the Electricity Act 2003, Hon'ble Commission may please hold joint meetings with CEIG , Discoms and Energy Department and advise the government to strengthen the Electrical Inspectorate to make out an effective action plan to reduce/avoid Electrical Accidents. Pre-paid metering: (items 14 and 15) Hon'ble Commission directed the Discoms to replace meters of willing consumers with pre-paid metering (item 14) and also submit report on action plan for replacement of existing meters with pre-paid metering (item 15). The Discom replied that it's mandatory to replace the meters of all consumers except Agricultural by March, 2025 as per the timelines given by Ministry of Power, Government of India in its letter dated 17th August, 2021. This premise of Discom is misconceived. Apparently Discom failed to note the Commission's view in para 6.27.2 of Tariff Order for 2022-23, which is extracted hereunder: "6.27.2: The Commission has taken note of the submissions of Discoms and the objections received from various stakeholders on the proposal of mandatory pre-paid	276 accidents are due to the consumer faults, incautious attitude of general public only; 12 nos accidents occurred due to departmental staff even after the utmost care taken by the staff of TGSPDCL and 5 are due to the contract labor of TGSPDCL. Hence, most of the accidents occurred are due to the inattentiveness of consumers by not following the safety measures, even after so many awareness programs and advertisements conducted by TGSPDCL.

	meters for all government services. As pointed by one of the stakeholders, Discoms have to obtain consent of consumer for availing supply through pre-paid meter. The relevant extract of the Act is as follows.......” The Discom also stated that a draft DPR is prepared at a cost of Rs. 9,803 Crs to replace meters of 81 lakhs consumers other than Agricultural, and the same is to be approved by the Distribution Reforms Committee (DRC), State Cabinet, and final approval by the MOP, Government of India. Objections: Central Government has no authority under the Electricity Act to issue instructions to Discoms to replace existing meters with pre-payment metering. The Discoms are not bound by the instructions of MOP in the said letter dated 17- 8- 2021. Central Electricity Authority (CEA) has no power under the Electricity Act to insist installation of meters with pre-payment features for all consumers in the absence of any provision for mandatory pre-payment system in the Electricity Act. Pre-payment system is optional under the Electricity Act as of now. CEA Regulations are relevant for technical and operational specifications only. Hence the Discoms ought to have assessed the level of willingness of consumers to switch over to pre-payment system before preparing the DPR with huge investment of about Rs.10,000 Crs, which will be a colossal waste as most of the consumers may not opt for pre-payment system and it will become a wasteful investment. Further, in para 6.27.3 of the said Tariff Order it is stated that Discom has already installed 26,732 pre-paid meters for government services in terms of G.O. Ms. no.1 dt 31-1-2016 and MOP Lr.dt 17-8-2021. Discom may please be asked to inform the latest position and whether all these meters are operational and automatic disconnection is being done through meters for non-payment by due date. If they are not operational, Hon’ble Commission may please ensure that the cost of such wasteful investment is not loaded into the consumer tariffs in ARR / Tariff filings	

3. Response to Sri M. Thimma Reddy		
M. Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, H. No. 3-4-107/1, (Plot No. 39), Radha Krishna Nagar, Attapur, Hyderabad – 500048		
S.No.	**Summary of Objections / Suggestions**	**Response of the Licensee**
2.1	According to Section 6.2 of Regulation 2 of 2023 Multi Year Tariff (MYT) Petition for the control period FY 2024-25 to FY 2028-29 has to be filed by 31-01-2024. The present MYT petition for 5th control period was filed on 18-09-2024, a delay of more than half year. The reasons attributed by TGDISCOMs for this delay are time taken in analysing the financial impact on the TGDISCOMS due to Gruha Jyothi Scheme and 'certain difficulties faced by the TGDISCOMS'. But the TGDISCOMs did not show anywhere in these filings the financial impact of Gruha Jyothi Scheme on the finances of TGDISCOMs. Also, nowhere 'certain difficulties' faced by the TGDISCOMS are elaborated. This gives the impression that TGDISCOMs are only following their nearly decade old practice of delayed filing of ARR and tariff proposals with scant regard to the Electricity Act, 2003 and Rules and Regulations framed under the said Act.	The reasons have been explained in detailed In the petitiions filed before the Hon'ble Commission. The DISCOM has studied the impact of free power supply upto 200 units to Gruha Joythi scheme comsumers and considered the growth rate for projection of demand/sales as explained in the petition.
2.2	The Commission in its Tariff Order for the FY 2023-24 at paragraphs 1.12.2 and 1.12.3 noted the following stakeholders' observations: "In the integrated rating score methodology introduced by Ministry of Power for assessing the health of TSDISCOMs, one of the parameters is specific disincentives which provides for Tariff Cycle Delays in terms of timely filing of the Petitions." "Further, this amounts to a gross violation of Hon'ble APTEL directives in O.P.No.1 of 2011 as is reproduced below: "57.… … 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 Suo Moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1(7) of the Tariff Policy."	No comments

2.3	The Commission in its Tariff Order for the FY 2023-24 at paragraph 1.12.7 stated its following view: "The Commission in order to provide consequences of delay in filing the proposals with the Commission has notified the following amendments to the Principal Regulations relating to TSDISCOMs with stringent penalties viz., the penal fee that is attracted in case of the licensee not complying with the provisions of Regulations, the rate of return on equity shall be reduced by 0.5% per month or part thereof. Second Amendment to the Principal Regulation No.4 of 2005 viz., Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity. [Regulation No.1 of 2022] ii) First Amendment to the Principal Regulation No.2 of 2016 viz., Fee [Regulation No.2 of 2022]"	The TGDISCOMs have already paid the penalties imposed by the Hon'ble Commission towards delay in filing of ARR Petitions for Retail Supply Business And Distribution Business .
2.4	Such measures are not included in Regulation 2 of 2023. To discourage delay in filing ARR and tariff proposals the above measures may be reintroduced in the new MYT Regulations.	

4. Response to Federation of Telangana Chambers of Commerce and Industry (FTCCI)		
S.No.	**Summary of Objections / Suggestions**	**Response of the Licensee**
1	The instant petitions have been filed by TG discoms for the determination of ARR & Wheeling Tariffs for Distribution Business for FY 2024-29 and determination of ARR for Retail Supply Business for FY 2024-29 & Tariff Proposals for FY 2024-25. The instant petition has been filed by both the discoms under the Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 (MYT Regulations 2023).	No comment
2	Multi-year Tariff for FY 2024-29 – Regulation 6 of the TSERC (Multi Year Tariff) Regulation, 2023 provides for the filing of the MYT petition by 30th November. The relevant extracts of the same are reproduced as under: "6 Procedure for filing Petition 6.2 The petitions to be filed for each Control Period under this Regulation areas under: b) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the Control Period by transmission licensee, distribution licensee (for wheeling business) and SLDC comprising: i. True-up of preceding year; ii. Aggregate Revenue Requirement for each year of the Control Period; iii. Proposal of Tariff and Charges for each year of the Control Period. c) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the Control Period by distribution licensee(for retail supply business) comprising: i. True-up of preceding year; ii. Aggregate Revenue Requirement for each year of the Control Period; iii. Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for the first year of the Control Period; iv. Proposal of consumer category wise retail supply tariff and charges for first year of the Control Period: Provided that the Multi Year Tariff petitions for the Control Period commencing from 01.04.2024 shall be filed by generating entity, transmission licensee, distribution licensee and SLDC on or before 31.01.2024." Based on the above, it is clear that the instant petition lacks on 2 fronts: • The Licensees have not filed the application for the True up of previous year (which is FY 2022-23) for Distribution and Retail Supply business (ref Regulation	The DISCOM has already filed APR for Distribution Business for 4th year of the 4th control period and the Hon'ble commission has passed the order. The APR for Distribution Business for 5th year will be filed as per the schedule. For Retail Supply Business, the True-ups for FY 2022-23 will be filed along with APR for DB.

	6.2(b)(i) and 6.2(c)(i) respectively). • the Petitioner has filed the instant Petition after a prolonged delay of ~10 months (July 2024 and September 2024 respectively for Distribution and RST business)) which in the opinion of the Objector is not appropriate. The reasoning put forth by the Licensees seems to be an afterthought to cover up for the substantial delay caused at the Licensee's end. On account of instant filings in non-compliance of the MYT Regulations 2023, the Petitioner's submissions merit non-consideration.	
3	The Hon'ble Commission in the Order dated 07.06.2024 in the matter of Annual Performance Review of Distribution Business for FY 2022-23 has approved a Revenue Surplus of Rs. 1736.34 crore and Rs. 2227.42 Crore for TGSPDCL and TGNPDCL respectively. The relevant extracts from such Order is as under: "4.12 RECOVERY OF REVENUE GAP/(SURPLUS) 4.12.1 As per Clause 10.5 of Regulation 04 of 2005 the Commission directs the Applicant to include and propose the adjustment mechanism of the total approved revenue surplus for TGSPDCL for Rs. 1736.34 crore (gap of Rs.20.54 crore for FY 2019-20, surplus of Rs. 253.05 crore for FY 2020-21,surplus of Rs. 1114.66 crore for FY 2021-22 and surplus of Rs. 389.17 Crore for FY 2022-23) and revenue surplus for TGNPDCL for Rs. 2227.42 Crore(surplus of Rs.384.76 Crore for FY 2019-20, surplus of Rs. 354.02, surplus ofRs. 634.03 Crore and surplus of Rs 854.62 Crore) in its end of control period review petition for 4th control period. This Order is corrected and signed on this the 7th day of June, 2024." It is mentioned that the impact of Revenue Gap pertaining to the True up of FY 2019-20 to FY 2022-23 has to be passed in the Retail supply business. The Hon'ble Commission is sincerely submitted to consider the impact of True up of Distribution business in the RST for FY 2024-25.	The Final impact of the True-ups will be considered in the APR for the 5th year of the 4th Control Period.

4	The petitioner (TGSPDCL) has claimed asset additions to the tune of Rs. 31,589 Crore for the Control period FY 2025-29 which is significantly high compared to the actual Capital Cost capitalized by the Distribution Licensees in the previous control period (FY 2019-24). Notably, such high level of projections for Capital cost is injurious to the financial health of the Distribution licensees as non-capitalization of the projected capital cost would effectively result into the revenue surplus which is against the principles of reasonable cost recovery.	The proposed asset additions had been estimated on the basis of the growth in demand/sales, and the required infrastructure to support such growth in demand/sales to ensure reliable and quality power supply. Further, the Licensee submits that the proposed asset additions would be capitalized as per prevailing Regulations / norms and the same will be reflected in the true-ups for the respective time period.

5. Response to Telangana Spinning & Textile Mills Association (TSTMA)		
S.No.	**Summary of Objections / Suggestions**	**Response of the Licensee**
1	Referring to the subject cited, this is to bring to the notice of the Hon'ble Commission that, they said filings were uploaded on the websites of either TGERC or on TGSPDCL with a delay of two days after the notice published in Newspapers. Since the availability of information is delayed by two days, and keeping in view the Dasara Festival from October 2nd (Dasara Navaratrulu) and 11th October, the last date for submission of comments and objections being a festival day, we request the Hon'ble Commission to extend the last date for submission of comments. TG Transco has also filed the ARR and proposed charges for Transmission Business and SLDC for FY 2024-25 to FY 2028-29 and the last date for submission of the comments is again 11/10/2024. Keeping in view the enormity of the data to be analyzed and the huge amount of work involved, it is difficult to complete the work by 11th October as the number of working days are also few due to festival days.	The DISCOMs have considered the projections of Sales, availability of power, Energy Requirement, Transmission and Distribution Losses and the Network additions majorly from the approved Resource Plan & Business Plan Dated 29.12.2023. The Hon'ble Commission is requested to finalize the ARR and Tariff based on the filings of DISCOMs in order to overcome further financial burden on account of increase in power purchase cost experienced day to day by the DISCOMs.

6. Response to Telangana Iron & Steel Manufacturers Association (TISMA)		
S.No.	**Summary of Objections / Suggestions**	**Response of the Licensee**
1	We are very much thankful to your good office for supporting our industry from time and again. With reference to the subject mentioned above, I would like to bring to the kind attention of the Hon'ble Commission that the filings made by TSSPDCL and TSNPDCL on the determination of ARR and Wheeling Tariff for the Distribution Business for the 5th Control Period (FY 2024-25 to FY 2028-29) were uploaded on the websites of TSERC and TSSPDCL two days after the notice was published in the newspapers. Given this delay and considering the Dasara festival, which falls between October 2nd (Dasara Navaratrulu) and 11th October, the last date for submitting comments and objections coincides with the festival day. Hence, we kindly request the Hon'ble Commission to extend the deadline for submission. Additionally, TG Transco has also filed the ARR and proposed charges for Transmission Business and SLDC for the same period, with the deadline for comments also being 11th October 2024. Given the volume of data to be analyzed and the reduced number of working days due to the festival, it will be challenging to prepare and submit comprehensive comments by the current deadline. Therefore, we respectfully request that the Hon'ble Commission extend the deadline for submission of comments by 15 working days, from 11th October to 31st October 2024.	The DISCOMs have considered the projections of Sales, availability of power, Energy Requirement, Transmission and Distribution Losses and the Network additions majorly from the approved Resource Plan & Business Plan Dated 29.12.2023. The Hon'ble Commission is requested to finalize the ARR and Tariff based on the filings of DISCOMs in order to overcome further financial burden on account of increase in power purchase cost experienced day to day by the DISCOMs.

7. Response to Objections of Indian Energy Exchange (IEX)

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Letter dated 11th October 2024 with subject "Comments/ Suggestions on the Petition filed by Southern Power Distribution Company of Telangana Ltd (TGSPDCL) and Northern Power Distribution Company of Telangana Ltd (TGNPDCL) for approval of ARR & Proposed Wheeling Tariffs for Distribution Business for 5th Control Period (FY 2024-25 to FY 2028-29	
1	The Distribution Licensees of the state of Telangana viz. Southern Power Distribution Company of Telangana Ltd. and Northern Power Distribution Company of Telangana Ltd. (hereinafter referred to as "TGSPDCL and TGNPDCL" or collectively as "Licensees" or "Petitioners" or "DISCOMs") have filed the present Petitions before the Hon'ble Telangana State Electricity Regulatory Commission (hereinafter referred to as 'Hon'ble Commission') for approval of ARR & Proposed Wheeling Tariffs for Distribution Business for 5th Control Period (FY 2024-25 to FY 2028-29) in accordance with the provisions of TSERC Tariff Regulations.	No Comments
2	IEX is submitting its views and observations on the Tariff Petition filed by the DISCOMs in subsequent paragraphs.	No Comments
3a.	**Computation of Voltage Wise Wheeling Charges in Rs./ kVA/ hr for short term open access** As against the submission of the Petitioner DISCOMs, the Hon'ble Commission in the past ARR and Wheeling Tariffs Order for Distribution Business for 4th Control Period (FY 2019-20 to FY 2023-24) dated 29.04.2020, has determined voltage wise wheeling charges for 11 kV, 33 kV and LT network connected consumers.	No Comments

3b.	Further, as per regulation 79.2 of the (Multi Year Tariff) Regulation, 2023, the Hon'ble Commission has specified that the wheeling charges shall be determined separately for LT voltage, 11 kV and 33 kV voltage. Relevant extract of the Regulations is provided below: "*79.2 The Wheeling Charges of the Distribution Licensee shall be determined by the Commlssion on the basis of a petition for determination of Tariff filed by the Distribution Licensee:* *Provided that the Wheeling Charges shall be denominated in terms of Rupees/kVA/month for long-term and medium-term Open Access and in terms of Rupees/kVA/hr for short-term Open Access, for the purpose ofrecoveryfromthe Distribution System User, or any such denomination, asmay be stipulated by the Commission:* ***Provided further that the Wheeling Charges shall be determined separately for LT voltage, 11 kV voltage and 33 kV voltage, as applicable.***" The distribution licensee in the present Petition has claimed single wheeling charges with no voltage wise bifurcation, which does not conform to the regulations notified by the Hon'ble Commission. Further, Open Access consumers are utilizing HT network only, as they are allowed connections at 11 kV and above; therefore, levy of LT network wheeling charges on the consumers may be irrational.	Discoms have put forward this proposal, which is a suggestion (not mandatory) before the Hon'ble Commission by citing notification issued by Ministry of Power, dated 10th January 2024 and notification dated 17th January 2024. The proposal for moving towards uniform wheeling charges and losses similar to the systems adopted by inter-state and intra-state transmission system would lead to a simplified tariff structure, bring in transparency in billing process and would help in streamlining the process of grid planning going further. This would also help in improving administrative efficiency and lead to better resource allocation and lesser disputes related to undue variations in wheeling charges being levied on consumers. Further with distributed generation picking up pace, every consumer going further would become a prosumer and voltage wise segregation for levying wheeling

		charges may be of very little significance.
3c.	Further, the above regulation also entails that the wheeling charges for short term open access shall be determined and applicable at Rupees/ kVA/ hr, however the distribution licensees have claimed wheeling charges at Rupees/ MW/ Month which is not aligned with the Regulations notified by the Hon’ble Commission.	Discoms have proposed uniform wheeling charges across voltage levels similar to intra state and inter state transmission chargesto encourage open access consumption across all voltage levels

8. Responses to Objections of PRAYAS (Energy Group)		
S.No.	**Summary of Objections / Suggestions**	**Response of the Licensee**
1	<u>Uniform wheeling charge for different voltages:</u> DISCOM has proposed uniform wheeling charges of Rs. 440/kVA/month for 33kV, 11kV and LT. This is an opposed to voltage based wheeling charges and loss in the previous MYT Order. In Section 5 of the petition on Rational of Wheeling charges, DISCOM has argued that Distributed RE (DRE), storage and wind-solar hybrid would increase network losses, due to reverse power flow. From the Additional Information (Replies to TGERC queries), DISCOMs have not given any computation on the extent of reverse power flow and resultant increase in network losses. Conventional wisdom on DRE is that they help to reduce network losses, since they are located closer to consumption points. Are the DISCOMs expecting significant DRE installations, with capacity exceeding contracted load? Are distributed storage faciolities being planned, which may increase reverse power flow? As per Net metering regulations, RST is permitted only to some extent of loading of DTR (50% to maximum 100%). Therefore, it is not clear how the duration and current would increase normal flows to increase losses. We request the DISCOMs to provide detailed calculations on this. Transmission is an interconnected grid and there is some logic in having similar wheeling for all voltages. It is not clear how the same logic is being applied for distribution network.	The various polices are initiated by the Government of India and State Governemnt with a vision of increasing the share of RE to 50% of its total power capacity by 2030 and to encourage the installation of Rooftop solar power plants and Ground mounted solar power plants and various Hybrid RE Generation sources. Initiatives taken like 100% solar villages, installation of solar plants under KUSUM components will cause flow of reverse current in the system. Apart from the above, there is no ceiling for the capacity of Solar plants for the Capitive consumers as per the latest Electricity Amendments Rules by MoP, Govt. of India. This will further increase in the reverse flow of current which in-turn will increase in the Line Losses of the Distribution Utility. Hence the DISCOMs have proposed the Uniform Wheeling Charges and Uniform Aggregate Losses applicable for the RE Consumers. The Distribution Licensee will take the steps to measure the actual quantum of reverse power and will be made available in the next filing where the Distributed Generations are getting added on/point of injection.

2	Capex plans in the petitions of TGSP and TGNP mention the proposed plan to install smart meters for all non-agriculture consumers in the next five years. 42% of the total 28,402 Cr total capex of TGSP from FY25-29 It is clear that the investment is significant and the GoI financial support for smart meter is low. From Table 5, it is also clear that 94% of the cost is for single phase consumer meter. The petition does not provide any cost benefit analysis of this investment, which would have to be made by the DISCOMs, hence borne by the State or consumers. The cost for DT metering is quite low, and it is surprising why the DISCOM is not ready to take it up, without waiting for RDSS project approval. We request response to the following questions: a) Is the proposal for Smart metering approved by the Hon'ble TGERC? If so, what is the roll-out plan? b) Is the costing under Capex/ Totex? If Totex, what is the framework for cost-pass through, prudence check and performance evaluation? c) Have the DISCOMs provided a cost benefit analysis of the Smart metering proposal? If so, request to share the studies. d) Has an Advanced Metering Infrastructure Service Provider (AMISP) been appointed? If so, can the contract along with the Service Level Agreement (SLAs) be shared?	Installation of smart meters / replacement of existing energy meters with smart meters is a measure that will bring in more efficiency in Discoms' billing and collection process. This will ultimately lead to better service delivery by Discoms and ultimately the benefit for the same will be passed on to the consumers. As smart meters installation is a country wide exercise being done basis guidelines / policy measures by Ministry of Power, Government of India, it is apt that TGDiscoms budget the capital expenditure that would be incurred for smart meters installation for its consumers.