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SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(Distribution and Retail Supply of Electricity Licensee)



Filing of Proposed Tariffs for Retail Supply Business and Cross Subsidy Surcharge for FY 2017-18



13th April, 2017

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

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

FILING NO. _____/2017

CASE NO. _____/2017

In the matter of:

Filing of the tariff applications for retail supply business, true-up and cross subsidy surcharge for FY 2017-18 by the Southern Power Distribution Company of Telangana Limited ('TSSPDCL' or 'the Company' or 'the Licensee') as the Distribution and Retail Supply Licensee.

In the matter of:

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

... Applicant

The Applicant respectfully submits as under: -

1. With the enactment of Andhra Pradesh Reorganization Act, 2014, 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, Ananthapur and Kurnool have been delinked from APCPDCL and merged with APSPDCL in accordance with the provisions of AP Reorganisation Act, 2014 vide G.O. Ms. No. 24, dated 29.05.2014, Further, the name of Central Power Distribution Company of Andhra Pradesh Limited has been changed to Southern power Distribution of Company Telangana Limited (TSSPDCL). In view of recent reorganisation of districts by the Government of Telangana, 5 districts which were under jurisdiction of TSSPDCL have been reorganised to 14 districts vide G.O.Ms.No.238 to 250 dated 11.10.2016. Accordingly, the Hon'ble Commission in its order in O.P. No.3 of 2017 dated 17.03.2017 has accorded approval for amendment of the distribution and retail supply licence.

2. The erstwhile Regulatory Commission of the undivided state of Andhra Pradesh has issued Regulation No. 3 of 2014 (Reorganization) Regulation, 2014 on 26.05.2014 consequent to the framing of Andhra Pradesh Reorganisation Act, 2014 notified by Government of India 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 issued 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 along with all the licences and practice directions issued by the erstwhile Andhra Pradesh Electricity Regulatory Commission (Regulatory Commission for States of Andhra Pradesh and Telangana) in existence as on the date of the constitution of the Telangana State Electricity Regulatory Commission and in force, shall mutatis-mutandis apply in relation to the stakeholders in electricity in the State of Telangana including the Commission and shall continue to have effect they are until duly altered, repealed or amended by 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, dt.26-07-2014 constituting the Commission.”
4. This filing is made by the **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TSSPDCL)** under Section 61 of the Electricity Act 2003 for tariff application for the Retail Supply Business for the year FY 2017-18. This filing also has the submission of the licensee on true-ups and cross subsidy surcharge.
5. The licensee had filed the Aggregate Revenue Requirement (ARR) for FY 2017-18 on 30th Nov 2016 and also submitted a prayer to the Hon’ble Commission to allow additional time

for filing of Tariff Proposals, True-ups and Cross Subsidy Surcharge. The Hon'ble Commission has been kind enough to grant additional time till 23rd Feb 2017 for the filing of tariff proposal. The licensee had sought for additional time till 15th April for filing of tariff proposal along with true ups, cross subsidy surcharge and additional surcharge vide Lr.No.CGM(Comml)/SE(IPC-II)/DE(RAC)/D.No.3989 Dated: 06.03.2017. The licensee submits that the additional time was sought due to the following reasons:

- Ministry of Power (MOP), Government of India (GOI) had constituted a committee vide notification 23/32/2016-R&R dated 24th August 2016 for examining and recommending options for simplification and rationalization of consumer categories and tariffs.
- Government of Telangana (GoTS) had conveyed its intention of joining UDAY scheme, however the MOU was not signed at the time of ARR filing. Subsequently, the licensee has entered into tripartite agreement with GoTS and GOI on 4th January 2017.

6. The Licensee Humbly submits that while it had put in all efforts for filing the tariff proposals on time, the delay in filing is mainly attributable to the above factors. Hence the Licensee Prays that Hon'ble Commission may condone the delay in the filing of the Tariff Proposals by the licensee.

7. **Tariff Proposals:**

The licensees humbly submit to the Honorable Commission for retaining the tariffs as per the Tariff Order of FY 2016-17 for the ensuing year FY 2017-18. The licensees have proposed few changes to the definition of the consumer category to bring in greater clarity. The proposed changes are highlighted in the following sections:

7.1 LT – II: Non – Domestic/Commercial

The licensee submits to the Hon'ble Commission for replacing the applicability of LT – II (A) and LT – II (B) under section 9.8 of Tariff Order for FY2016-17as mentioned below with the proposed clause

Clause in FY 2016-17 Tariff Order

- Consumers who undertake Non Domestic activity
- Consumers who undertake Commercial activity
- Consumers who do not fall in any other LT category i.e., LT-I, LT-III to LT-VIII categories

- Consumers who avail supply of energy for lighting, fans, heating, air conditioning and power appliances in Commercial or Non-Domestic premises such as shops, business houses, offices, public buildings, hospitals, hostels, hotels, choultries, restaurants, clubs, theatres, cinema halls, bus stations, railway stations, timber depots, photo studios, printing presses etc.
- Educational institutions run by individuals, Non-Government Organizations or Private Trusts and their student hostels are also classified under this category

Proposed Clause

- Consumers who undertake Non Domestic activity
- Consumers who undertake Commercial activity
- Consumers who do not fall in any other LT category i.e., LT-I, LT-III to LT-VIII categories
- Consumers who avail supply of energy for lighting, fans, heating, air conditioning and power appliances in Commercial or Non-Domestic premises such as shops, business houses, offices, public buildings, hospitals, hostels, hotels, choultries, restaurants, clubs, theatres, cinema halls, bus stations, railway stations, timber depots, photo studios, printing presses, **all servicing & repairing centers, Bus Depots, laundries, dry cleaning units, gas/oil storage/transfer stations, warehouses / godowns / storage units (except for cold storages which would be charged under LT III industries), etc.**
- Educational institutions run by individuals, Non-Government Organizations or Private Trusts and their student hostels are also classified under this category
- **Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities in Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.**

The licensee proposes to include the following clause as tariff specific condition under this category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each

individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under LT-II Non-Domestic/Commercial Category.”

7.2 LT – III: Industry

The licensee submits to the Hon’ble Commission to replace section 9.19 of Tariff order for FY 2016-17 with the proposed clause as mentioned below:

Existing Clause

- Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pumpsets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies and Drinking Water filtering plants using only Reverse Osmosis (RO) process
- Workshops, flour mills, oil mills, saw mills, coffee grinders and wet grinders, Ice candy units with or without sale outlets, Goshalas, grass cutting and fodder cutting units.
- The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.
- Newspaper printing units.
- Poultry Farming Units.
- Pisciculture and Prawn culture units.
- Mushroom production units, Rabbit Farms, Sheep Farms and Goat Farms other than those coming under LT-IV with load exceeding 10 HP.
- Floriculture in Green Houses.
- Sugar cane crushing.

Proposed Clause

- Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pumpsets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies and Drinking Water filtering plants using only Reverse Osmosis (RO) process
- Workshops (**involving activity of manufacturing**), flour mills, oil mills, saw mills, coffee grinders and wet grinders, Ice candy units with or without sale outlets, Goshalas, grass cutting and fodder cutting units.

- The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS **excluding the consumption towards Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities**
- Newspaper printing units.
- Poultry Farming Units.
- Pisciculture and Prawn culture units.
- Mushroom production units, Rabbit Farms, Sheep Farms and Goat Farms other than those coming under LT-IV with load exceeding 10 HP.
- Sugar cane crushing.

The licensee proposes to include the following clause as tariff specific condition for consumers intending to avail power under this category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under LT-II Non-Domestic/Commercial Category.”

7.3 LT – V: Agricultural

The licensee submits that the Hon’ble Commission may consider the following changes proposed in tariff definition for Agricultural Consumers

- Licensee proposes to make Demand Side Management (DSM) measures mandatory for LT-V consumers
- Licensee proposes to provide free power to all farmers (excluding corporate farmers) without any restriction on number of connections or acreage.
- Licensee proposes to include cultivation in poly-houses/green-houses under LT-V: agricultural category.
- Licensee proposes to include the below definition for Corporate Farmers:

The Companies/Corporate Owners who carry out Agricultural production on large scale in the lands owned by them or on the basis of agreement between the individual farmers and the companies.

7.4 LT – VIII: Temporary

The licensee submits that the Hon'ble Commission may include the following applicability definition for consumers availing Temporary Supply in LT category.

- **Temporary supply is applicable to**
 - **All Construction activities like construction of all types of structures/infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines, etc.**
 - **Exhibitions, circuses, outdoor film shootings, touring talkies, etc.**
- **This tariff category is applicable for connections that are temporary in nature and hence for construction purpose, a consumer shall be given a temporary connection only.**
- **For the buildings above 10Mtrs height excluding Stilt for parking only, Regular supply shall be given only after submission of the Occupancy certificate as directed by the Govt. of Andhra Pradesh (united) vide G.O. Ms. No. 86 dated 03.03.2006 and on payment of the required charges.**

The licensee proposes to replace the tariff specific condition as mentioned in section 9.72 of FY 2016-17 Retail supply tariff order produced as below with the proposed clause:

Existing Clause

“Temporary supply can be given on the request of a consumer initially for a period up to 6 months as per the tariff applicable under the Temporary supply category. In case, the consumer requests for further extension, the same can be extended for another 6 months with the same tariff as applicable to Temporary supply category. After the expiry of 12 months, the consumer is at liberty to seek further extension provided, the consumer pays twice the regular tariff (i.e. the corresponding category) or the consumer has the choice of availing of regular supply.”

Proposed Clause

“Temporary supply can be given initially for a period upto one year as per the tariff applicable under the Temporary supply category. After the expiry of one year, the consumer is at liberty to seek further extension.”

7.5 HT – I (A) Industry General

The licensee submits that the Hon’ble Commission may consider to replace section 9.87 in the tariff order of FY 2016-17 with the proposed clause as mentioned below:

Existing Clause

- This tariff will also apply to:
 - Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pump sets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies.
 - Workshops, flour mills, oil mills, saw mills, Ice candy, Ice manufacturing units with or without sale outlets.
 - The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.
 - Newspaper printing units.
 - Poultry Farming.
 - Pisciculture and Prawn culture units.

Proposed Clause

- The tariff will also apply to:
 - Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pump sets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies.
 - Workshops (**involving activity of manufacturing**), flour mills, oil mills, saw mills, Ice candy units, Ice manufacturing units with or without sale outlets.

- **All servicing & repairing centers, Bus Depots, gas/oil storage/transfer stations, warehouses/godowns/storage units (except for cold storages), etc. shall not be included in HT I(A) category.**
- **The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS excluding the consumption towards Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities.**
- Newspaper printing units.
- Poultry Farming.
- Pisciculture and Prawn culture units

The licensee proposes to include the following clause as tariff specific condition under HT-I(A) Industry General category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under HT-II Others Category.”

7.6 HT – II: Others

The licensee submits to the Hon’ble Commission for replacing the applicability of HT – II: Others under section 9.94 of Tariff Order for FY2016-17 as mentioned below with the proposed clause

Existing Clause

- This tariff is applicable to all HT Consumers other than those covered under HT Categories I and III to VII.

Proposed Clause

- This tariff is applicable to all HT Consumers other than those covered under HT Categories I and III to VII.
- **Consumers who undertake Non Domestic activity**
- **Consumers who undertake Commercial activity**

- **Consumers who avail supply of energy for lighting, fans, heating, air conditioning and power appliances in Commercial or Non-Domestic premises such as shops, business houses, offices, public buildings, hospitals, hostels, hotels, choultries, restaurants, clubs, theatres, cinema halls, timber depots, photo studios, printing presses, all servicing & repairing centers, Bus Depots, laundries, dry cleaning units, gas/oil storage/transfer stations, warehouses / godowns / storage units (except for cold storages which would be charged under HT I(A) Industries), etc.**
- **Educational institutions run by individuals, Non-Government Organizations or Private Trusts and their student hostels are also classified under this category**
- **Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities in Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.**

The licensee proposes to include the following clause as tariff specific condition under HT-II Others category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under HT-II Others Category.”

7.7 HT – V(B): HMR Traction

The Licensee humbly requests the Hon’ble Commission to fix the energy charges for HMR Traction at Average Cost of Service (CoS).

7.8 HT – VIII: Temporary

The licensee prays the Hon’ble Commission to include the following applicability definition for consumers availing Temporary Supply in HT category:

- **Temporary supply is applicable to**
 - **All Construction activities like construction of all types of structures/infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines, etc.**
 - **Exhibitions, circuses, outdoor film shootings, touring talkies, etc.**
- **This tariff category is applicable for connections that are temporary in nature and hence for construction purpose, a consumer shall be given a temporary connection only.**
- **For the buildings above 10Mtrs height excluding Stilt for parking only, Regular supply shall be given only after submission of the Occupancy certificate as directed by the Govt. of Andhra Pradesh (united) vide G.O. Ms. No. 86 dated 03.03.2006 and on payment of the required charges.**

The licensee propose to replace the tariff specific condition as mentioned in section 9.138(a) of FY 2016-17 Retail supply tariff order as produced below with the proposed clause

Existing Clause

“Temporary supply can be given on the request of a consumer initially for a period up to 6 months as per the tariff applicable under the Temporary supply category. In case, the consumer requests for further extension, the same can be extended for another 6 months with the same tariff as applicable to Temporary supply category. After the expiry of 12 months, the consumer is at liberty to seek further extension provided, the consumer pays twice the regular tariff (i.e. the corresponding category) or the consumer has the choice of availing of regular supply.”

Proposed Clause

“Temporary supply can be given initially for a period upto one year as per the tariff applicable under the Temporary supply category. After the expiry of one year, the consumer is at liberty to seek further extension.”

8. Determination of True-ups:

The licensees have signed the UDAY MOU which is a tripartite agreement with Government of Telangana, Government of India and the licensees on 4th January 2017. As per the agreement, Government of Telangana has taken over 75% of the outstanding loans as on 30th Sept 2015, by end of FY 2016-17. The quantum of loans taken over amounts to INR 8,923 crores.

In view of the above the licensee is not seeking the true-ups for 1st and 2nd control periods and for FY 2014-15. The licensee prays that the Hon'ble Commission may permit the licensee to file for final true-up for FY 2015-16 and FY 2016-17 during the filing for FY 2018-19 after assessing the impact of loans taken over by the Government and additional support from the Government.

9. Determination of Cross subsidy Surcharge for FY 2017-18

The licensee has proposed to retain the tariffs as per the current tariff order FY 2016-17 for ensuing year FY 2017-18. The licensee humbly submits that the Hon'ble Commission may fix the cross subsidy surcharge as per the National Tariff Policy as notified by Ministry of Power dated 28th Jan 2016.

10. Filing of Additional Surcharge for the FY 2017-18

The licensee would like to submit to the Hon'ble Commission that the licensee has tied up considerable quantum of power procurement from various sources in order to provide reliable and quality power supply to all the consumers in the state without any load shedding for FY 2017-18. However if consumers were to opt for open access, the licensee would like to submit that significant portion of the fixed costs pertaining to power purchase from above sources would be stranded leading to under recovery of the fixed costs. In order to recover the fixed costs of the stranded assets, the licensee humbly prays the Hon'ble Commission to permit the licensee for filing of additional surcharge petition separately.

11. Based on the information available, the applicant has made sincere efforts to comply with the Regulation 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.

12. 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.
13. In the aforesaid facts and circumstances, the Applicant requests that this Hon'ble Commission may be pleased to:
- Take the accompanying 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 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 LIMITED
(APPLICANT)

Through

CHAIRMAN AND MANAGING DIRECTOR

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

Place: Hyderabad
Dated: 13-04-2017

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

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

FILING NO._____/2017

CASE NO. _____/2017

In the matter of:

Filing of the tariff applications for retail supply business, true-up and cross subsidy surcharge for FY 2017-18 by the SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED ('TSSPDCL' or 'the Company' or 'the Licensee') as the Distribution and Retail Supply Licensee.

In the matter of:

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

... Applicant

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION ACCOMPANYING
FILING AS PER TERMS AND CONDITIONS OF TARIFF FOR WHEELING AND
RETAIL SALE OF ELECTRICITY**

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 TSSPDCL, the Licensee that has, vide the Hon'ble Commission's approval in proceedings No. APERC/Secy/Engg/No.6 dt.31.3.2000, been granted the distribution and retail supply functions that Transco was authorised to conduct or carry out under the Act and the license, with respect to the business of distribution and retail supply of electricity in the Southern distribution zone in Telangana. On December 27, 2000, the Hon'ble Commission has awarded a Distribution and Retail Supply License to APCPDCL (now TSSPDCL) effected from April 1, 2001.
- 2 Consequent to the bifurcation of the Andhra Pradesh State as per the Andhra Pradesh Reorganization Act, the two districts of Anathapur and Kurnool were moved from the

jurisdiction of APCPDCL to APSPDCL and the name of the licensee was changed from APCPDCL to TSSPDCL.

- 3 As per the section 92 read with the twelfth schedule of the AP Reorganization Act, the then APERC functioned as Joint regulatory body and issued Regulation No. 3 of 2014 (Reorganisation) Regulation,2014 and as per clause 5 of the regulation which reads as “ *the area of supply of existing distribution & Retail supply licensees shall deemed to be reassigned as per the provisions of the Andhra Pradesh Reorganisation Act 2014 until amended or separate licenses are issued by the respective state electricity Regulatory Commissions.*”
- 4 In view of recent reorganisation of districts by the Government of Telangana, 5 districts which were under jurisdiction of TSSPDCL have been reorganised to 14 districts vide G.O.Ms.No.238 to 250 dated 11.10.2016. Accordingly, the Hon’ble Commission in its order in O.P. No.3 of 2017 dated 17.03.2017 has accorded approval for amendment of the distribution and retail supply licence.
- 5 I am competent and duly authorised by TSSPDCL to affirm, swear, execute and file this affidavit in the present proceedings.
- 6 As such, I submit that I have been duly authorised by the Board of Directors of TSSPDCL to submit the application, as per Terms and Conditions of Tariff for Wheeling and Retail Sale of Electricity (Regulation 4 of 2005) of TSSPDCL for the FY 2016-17 to Hon’ble Commission.
- 7 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.
- 8 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 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 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.

VERIFICATION:

I, the above named Deponent solemnly affirm at Hyderabad on this 13th day of April, 2017 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.



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



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

V. Anil Kumar
 Solemnly affirmed and signed before me.
V. ANIL KUMAR
 COMPANY SECRETARY
 TSSPDCL, Corporate Office & Registered Office
 6-1-50, Mint Compound,
 HYDERABAD-500 063. T.S.

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1. Tariff proposal

The licensees humbly submit to the Honorable Commission for retaining the tariffs as per the Tariff Order of FY 2016-17, for the ensuing year FY 2017-18. The licensees have proposed few changes to the definition of certain consumer categories to bring in greater clarity. The proposed changes are highlighted in the following sections.

1.1 LT – II: Non – domestic/Commercial

The licensees submit to the Hon'ble Commission for replacing the applicability of LT – II (A) and LT – II (B) under section 9.8 of Tariff Order for FY2016-17 as mentioned below with the proposed clause

Clause in FY 2016-17 Tariff Order

Applicability

- Consumers who undertake Non Domestic activity
- Consumers who undertake Commercial activity
- Consumers who do not fall in any other LT category i.e., LT-I, LT-III to LT-VIII categories
- Consumers who avail supply of energy for lighting, fans, heating, air conditioning and power appliances in Commercial or Non-Domestic premises such as shops, business houses, offices, public buildings, hospitals, hostels, hotels, choultries, restaurants, clubs, theatres, cinema halls, bus stations, railway stations, timber depots, photo studios, printing presses etc.
- Educational institutions run by individuals, Non-Government Organizations or Private Trusts and their student hostels are also classified under this category.

Proposed Clause

Applicability

- Consumers who undertake Non Domestic activity
- Consumers who undertake Commercial activity
- Consumers who do not fall in any other LT category i.e., LT-I, LT-III to LT-VIII categories
- Consumers who avail supply of energy for lighting, fans, heating, air conditioning and power appliances in Commercial or Non-Domestic premises such as shops, business houses, offices, public buildings, hospitals, hostels, hotels, choultries, restaurants, clubs, theatres, cinema halls, bus stations, railway stations, timber depots, photo studios, printing presses, **all servicing & repairing centers, Bus Depots, laundries, dry cleaning units, gas/oil storage/transfer stations, warehouses/**

godowns/storage units (except for cold storages which would be charged under LT III industries), etc.

- Educational institutions run by individuals, Non-Government Organizations or Private Trusts and their student hostels are also classified under this category.
- **Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities in Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.**

The licensee proposes to include the following clause as tariff specific condition under this category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under LT-II Non-Domestic/Commercial Category.”

1.2 LT – III: Industry

The licensees submit to the Hon’ble Commission to replace section 9.19 of Tariff order for FY 2016-17 with the proposed clause mentioned below:

Existing Clause

This tariff will also apply to:

- Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pumpsets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies and Drinking Water filtering plants using only Reverse Osmosis (RO) process
- Workshops, flour mills, oil mills, saw mills, coffee grinders and wet grinders, Ice candy units with or without sale outlets, Goshalas, grass cutting and fodder cutting units.
- The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.
- Newspaper printing units.
- Poultry Farming Units.
- Pisciculture and Prawn culture units.

- Mushroom production units, Rabbit Farms, Sheep Farms and Goat Farms other than those coming under LT-IV with load exceeding 10 HP.
- Floriculture in Green Houses.
- Sugar cane crushing.

Proposed Clause

This tariff will also apply to:

- Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pumpsets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies and Drinking Water filtering plants using only Reverse Osmosis (RO) process.
- Workshops (**involving activity of manufacturing**), flour mills, oil mills, saw mills, coffee grinders and wet grinders, Ice candy units with or without sale outlets, Goshalas, grass cutting and fodder cutting units.
- The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS **excluding the consumption towards Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities.**
- Newspaper printing units.
- Poultry Farming Units.
- Pisciculture and Prawn culture units.
- Mushroom production units, Rabbit Farms, Sheep Farms and Goat Farms other than those coming under LT-IV with load exceeding 10 HP.
- Sugar cane crushing.

The licensee proposes to include the following clause as tariff specific condition under section 9.53 of Tariff Order for FY2016-17

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under LT-II Non-Domestic/Commercial Category.”

1.3 LT – V: Agricultural

The licensees submit that the Hon’ble Commission may consider the following changes proposed in tariff definition for Agricultural Consumers.

- Licensee proposes to make DSM measures mandatory for LT-V consumers.
- Licensee proposes to provide free power to all farmers (excluding Corporate Farmers) without any restriction on number of connections or acreage.
- Licensee proposes to include cultivation in poly-houses/green houses under LT-V: agricultural category.
- Licensee proposes to include the below definition for Corporate Farmers:
The Companies/Corporate Owners who carry out Agricultural production on large scale in the lands owned by them or on the basis of agreement between the individual farmers and the companies.

1.4 LT – VIII: Temporary Supply

The licensees submit that the Hon'ble Commission may include the following applicability definition for consumers availing Temporary Supply in LT category under section 9.40 of Tariff Order for FY2016-17.

- **Temporary supply is applicable to**
 - **All Construction activities like construction of all types of structures/infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines, etc.**
 - **Exhibitions, circuses, outdoor film shootings, touring talkies, etc.**
- **This tariff category is applicable for connections that are temporary in nature and hence for construction purpose, a consumer shall be given a temporary connection only.**
- **For the buildings above 10Mtrs height excluding Stilt for parking only, Regular supply shall be given only after submission of the Occupancy certificate as directed by the Govt. of Andhra Pradesh (united) vide G.O. Ms. No. 86 dated 03.03.2006 and on payment of the required charges.**

The licensee proposes to replace the tariff specific condition as mentioned in section 9.72 of Tariff Order for FY 2016-17 produced as below with the proposed clause:

Existing Clause

“Temporary supply can be given on the request of a consumer initially for a period up to 6 months as per the tariff applicable under the Temporary supply category. In case, the consumer requests for further extension, the same can be extended for another 6 months with the same tariff as applicable to Temporary supply category. After the expiry of 12 months, the consumer is at liberty to seek further extension provided, the consumer pays twice the regular tariff (i.e. the corresponding category) or the consumer has the choice of availing of regular supply.”

Proposed Clause

“Temporary supply can be given initially for a period up to one year as per the tariff applicable under the Temporary supply category. After the expiry of one year, the consumer is at liberty to seek further extension.”

1.5 HT – I (A) General

The licensees submit to the Hon’ble Commission to replace section 9.87 in the tariff order of FY 2016-17 with the proposed clause as mentioned below:

Existing Clause

- This tariff will also apply to:
 - i. Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pump sets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies.
 - ii. Workshops, flour mills, oil mills, saw mills, Ice candy, Ice manufacturing units with or without sale outlets.
 - iii. The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.
 - iv. Newspaper printing units.
 - v. Poultry Farming.
 - vi. Pisciculture and Prawn culture units.

Proposed Clause

- The tariff will also apply to:
 - i. Water Works & Sewerage Pumping Stations operated by Government Departments or Co-operative Societies and pump sets of Railways, pumping of water by industries as subsidiary function and sewerage pumping stations operated by local bodies.
 - ii. Workshops **(involving activity of manufacturing)**, flour mills, oil mills, saw mills, Ice candy units, Ice manufacturing units with or without sale outlets.
 - iii. **All servicing & repairing centers, Bus Depots, gas/oil storage/transfer stations, warehouses/godowns/storage units (except for cold storages), etc. shall not be included in HT I(A) category.**
 - iv. The Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS

excluding the consumption towards Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities.

- v. Newspaper printing units.
- vi. Poultry Farming.
- vii. Pisciculture and Prawn culture units

The licensee propose to include the following clause as tariff specific condition under HT-I(A) Industry General category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn’t provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under HT-II Others Category.”

1.6 HT – II: Others

The licensee submits to the Hon’ble Commission for replacing the applicability of HT – II: Others under section 9.94 of Tariff Order for FY2016-17 as mentioned below with the proposed clause

Existing Clause

- This tariff is applicable to all HT Consumers other than those covered under HT Categories I and III to VII.

Proposed Clause

- This tariff is applicable to all HT Consumers other than those covered under HT Categories I and III to VII.
- **Consumers who undertake Non Domestic activity**
- **Consumers who undertake Commercial activity**
- **Consumers who avail supply of energy for lighting, fans, heating, air conditioning and power appliances in Commercial or Non-Domestic premises such as shops, business houses, offices, public buildings, hospitals, hostels, hotels, choultries, restaurants, clubs, theatres, cinema halls, timber depots, photo studios, printing presses, all servicing & repairing centers, Bus Depots, laundries, dry cleaning units, gas/oil storage/transfer stations, warehouses / godowns / storage units (except for cold storages which would be charged under HT I(A) Industries), etc.**

- **Educational institutions run by individuals, Non-Government Organizations or Private Trusts and their student hostels are also classified under this category**
- **Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities in Information Technology (IT) units identified and approved by the Consultative Committee on IT Industry (CCITI) constituted by GoTS.**

The licensee proposes to include the following clause as tariff specific condition under HT-II Others category.

“IT units availing Industrial Power tariff have to provide separate meters at each individual utilization point other than the IT purpose as certified by the CCIT such as Cafeteria, Hotels, ATMs, Banks, Auditoriums and other amenities and these meters shall be sealed by the licensees. If the consumer doesn't provide separate meters at each individual utilization point other than the IT Purpose, the entire consumption of the IT Service will be billed under HT-II Others Category.”

1.7 HT – V(B): HMR Traction

The Licensee humbly requests the Hon'ble Commission to fix the energy charges for HMR Traction at Average Cost of Service (CoS).

1.8 HT – VII: Temporary

The licensees pray the Hon'ble Commission to include the following applicability definition for consumers availing Temporary Supply in HT category:

- **Temporary supply is applicable to**
 - **All Construction activities like construction of all types of structures/infrastructure such as buildings, bridges, fly-overs, dams, Power Stations, roads, Aerodromes, tunnels for laying of pipelines, etc.**
 - **Exhibitions, circuses, outdoor film shootings, touring talkies, etc.**
- **This tariff category is applicable for connections that are temporary in nature and hence for construction purpose, a consumer shall be given a temporary connection only.**
- **For the buildings above 10Mtrs height excluding Stilt for parking only, Regular supply shall be given only after submission of the Occupancy certificate as directed by the Govt. of Andhra Pradesh (united) vide G.O. Ms. No. 86 dated 03.03.2006 and on payment of the required charges.**

The licensees propose to replace the tariff specific condition as mentioned in section 9.138(a) of Tariff Order for FY 2016-17 as produced below with the proposed clause

Existing Clause

“Temporary supply can be given on the request of a consumer initially for a period up to 6 months as per the tariff applicable under the Temporary supply category. In case, the consumer requests for further extension, the same can be extended for another 6 months with the same tariff as applicable to Temporary supply category. After the expiry of 12 months, the consumer is at liberty to seek further extension provided, the consumer pays twice the regular tariff (i.e. the corresponding category) or the consumer has the choice of availing of regular supply.”

Proposed Clause

“Temporary supply can be given initially for a period up to one year as per the tariff applicable under the Temporary supply category. After the expiry of one year, the consumer is at liberty to seek further extension.”

2. Determination of True-ups

The licensees have signed the UDAY MOU which is a tripartite agreement with Government of Telangana, Government of India and the licensees on 4th January 2017. As per the agreement, Government of Telangana has taken over 75% of the outstanding loans as on 30th Sept 2015, by end of FY 2016-17. The quantum of loans taken over amounts to INR 8,923 crores.

In view of the above the licensees are not seeking the true-ups for 1st and 2nd control periods and for FY 2014-15. The licensees pray that the Hon'ble Commission may permit the licensees to file for final true-up for FY 2015-16 and FY 2016-17 during the filing for FY 2018-19 after assessing the impact of loans taken over by the Government and additional support from the Government.

3. Determination of Cross subsidy Surcharge for FY 2017-18

The licensee has proposed to retain the tariffs as per the current tariff order FY 2016-17 for ensuing year FY 2017-18. The licensee humbly submits that the Hon'ble Commission may fix the cross subsidy surcharge as per the National Tariff Policy as notified by Ministry of Power dated 28th Jan 2016.

4. Filing of Additional Surcharge for FY 2017-18

The licensee would like to submit to the Hon'ble Commission that the licensee has tied up considerable quantum of power procurement from various sources in order to provide reliable and quality power supply to all the consumers in the state without any load shedding for FY 2017-18. However if consumers were to opt for open access, the licensee would like to submit that significant portion of the fixed costs pertaining to power purchase from above sources would be stranded leading to under recovery of the fixed costs. In order to recover the fixed costs of the stranded assets, the licensee humbly prays the Hon'ble Commission to permit the licensee for filing of additional surcharge petition separately.