**Reply to queries raised on ARR & Wheeling tariff proposals for 4th MYT Control Period from FY 2019-20 to FY 2023-24**

1. **Reply to Query – I. General (Point No.1)**

The audited annual accounts for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 is enclosed as **Annexure-VI.**

1. **Reply to Query – I. General (Point No.2)**

It is to submit that there is no separate set of accounts for Distribution and Retail Supply Business as both the business are being handled by a single entity. However based on the assumptions considered in the ARR filings submitted by the licensee for Distribution and Retail supply businesses, the following cost & revenues as segregated is tabulated below

| Particulars | Business related | Remarks |
| --- | --- | --- |
| Employee Cost | Distribution Business | Completely considered under Distribution Business as segregation of employees cannot be done as most of the employees perform both distribution & retail supply business related activities. |
| Administration & General | Distribution Business | Completely considered under Distribution Business as it cannot be segregated account wise. |
| Repairs & maintenance | Distribution Business | Completely considered under Distribution Business as it is linked to Fixed assets which are mainly used for Distribution Business. |
| Depreciation | Distribution Business | Completely considered under Distribution Business as it is linked to Fixed assets which are mostly used for Distribution Business |
| Return on capital employed | Distribution Business | Completely considered under Distribution Business as it is linked to Fixed assets & capital employed to acquire those assets including working capital which are mainly used for Distribution Business |
| Power Purchase cost | Retail Supply Business | Completely considered under Retail Supply Business as it is related business activity |
| Network Costs (Interstate-Transmission, Intrastate-Transmission, SLDC) | Retail Supply Business | Completely considered under Retail Supply Business as it is related business activity |
| Interest on CSD | Retail supply Business | Completely considered under Retail Supply Business as it is related business activity |
| Supply Margin | Retail supply Business | Completely considered under Retail Supply Business as allowed by the Honble Commission |
| Revenue from sale of Power including Government Subsidy | Retail supply Business | Completely considered under Retail Supply Business as it is related business activity |
| Cross Subsidy Surcharge, Additional Surcharge | Retail supply Business | Completely considered under Retail Supply Business as it is related business activity |
| Wheeling Revenue | Distribution Business | Completely considered under Distribution Business as it is related business activity |
| Non-Tariff Income | Partly Distribution Business & Partly Retail Supply Business | Segregation of income done to the extent of nature of activity it relates to. |

Based on the above assumptions the allocation statement for FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 is tabulated below



1. **Reply to Query – II. True up for 3rd MYT Control Period from FY 2014-15 to FY 2018-19 (Point No.3)**

**Reply:** The True-up for Distribution Business for 3rd MYT Control Period for FY 2014-15 to FY 2018-19 in accordance toRegulationis enclosed as **Annexure -I**

1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.5)**

The excel computation of escalation rate of 5.42% along with relevant documents are enclosed as **Annexure-II.**

1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.6)**

The computation of norm of 1.13% for R&M expenses is tabulated below

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item** | **Unit** | **2014-15** | **2015-16** | **2016-17** | **2017-18** | **2018-19** |
| Opening GFA - Actuals | Rs.Cr. | 6,763 | 7,806 | 9,716 | 11,265 | 12,524 |
| R&M – Actuals\* | Rs.Cr. | 96 | 86 | 139 | 109 | 127 |
| K=R&M/GFA | % | 1.42% | 1.10% | 1.43% | 0.96% | 1.01% |
| **Average k from FY 14-15 to FY 18-19 as per TSERC norms** | **%** | **1.13%** |  | | | |

**\* R**&M expenses considered are actual expenses after deducting the remuneration paid to the outsourcing employees who got regularized during FY 2017-18 and regrouped under employee cost.

1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.7)**

The details of Distribution Infrastructure for FY 2014-15 to FY 2018-19 are submitted below



1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.13)**

The computation details of depreciation claimed for 4th MYT Control Period is enclosed as **Annexure-III.**

1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.15)**

The Voltage wise loss for FY 2014-15 to FY 2018-19 are submitted herewith



1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.16)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Losses** | **FY18-19 Act** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **2023-24** | **% of reduction considered** |
| **LT** | 6.05% | 5.93% | 5.81% | 5.69% | 5.58% | 5.47% | 2% |
| **11kV** | 4.70% | 4.65% | 4.61% | 4.56% | 4.51% | 4.47% | 1% |
| **33kV** | 3.70% | 3.68% | 3.66% | 3.64% | 3.63% | 3.61% | 0.5% |

Thevoltage wise losses proposed for 4th MYT control period is as follows:

Various measures to be undertaken by the DISCOM to achieve the above targets is as follows:-

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Measures** | **Unit** | **FY19-20** | **FY 20-21** | **FY21-22** | **FY 22-23** | **FY23-24** | **Total** |
| **Base Capex** | | | | | | | |
| **Addition of new Substations due to overloading** |  |  |  |  |  |  |  |
| -Total number of SS | Nos. | 30 | 32 | 70 | 91 | 91 | **314** |
| -Total Capacity Added (MVA) | MVA | 227.5 | 261.5 | 526 | 569.5 | 549.5 | **2134** |
| **Upgradation of overloaded PTRs** |  |  |  |  |  |  |  |
| -Total number of PTRs | Nos. | 67 | 28 | 20 | 30 | 24 | **169** |
| -Total Capacity upgraded (MVA) | MVA | 287 | 103 | 74 | 104 | 80 | **648** |
| **Addition of DTRs for reduction of loading on DTRs and to cater the load growth (Nos.)** | Nos. | 17,968 | 19,112 | 20,431 | 21,930 | 23,653 | **103,094** |
| **Other Capex** | | | | | | | |
| Meter Replacement ( Installation of High Quality meters) | Rs. Crs | 18.4 | 22.0 | 22.5 | 23.0 | 23.6 | **109.5** |
| Capacitor Banks | Rs. Crs | 5.9 | 6.3 | 6.7 | 7.2 | 7.7 | **33.8** |
| MRI instruments | Rs. Crs | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | **1.1** |
| Replacement of existing 34 sqmm conductor with 55 sqmm conductor | Rs. Crs | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | **2.6** |
| Renovation & Modernisation of SS | Rs. Crs | 3.2 | 3.6 | 4.1 | 4.6 | 5.1 | **20.7** |
| Renovation & Modernisation of DTR | Rs. Crs | 71.4 | 90.0 | 111.1 | 135.0 | 162.0 | **569.6** |
| **Proposed Retirement of existing assets** |  |  |  |  |  |  |  |
| - PTRs | Rs. Crs | 4.0 | 5.0 | 6.3 | 7.7 | 9.3 | **32.3** |
| - 33KV line | Rs. Crs | 1.2 | 1.4 | 1.5 | 1.7 | 1.9 | **7.8** |
| - 11KV line | Rs. Crs | 1.5 | 1.7 | 1.9 | 2.2 | 2.5 | **9.9** |
| - DTR | Rs. Crs | 23.0 | 26.1 | 29.2 | 33.5 | 38.0 | **149.9** |
| - LT line | Rs. Crs | 1.6 | 1.8 | 2.0 | 2.3 | 2.6 | **10.2** |
| - LT 1-Phase meter | Rs. Crs | 22.5 | 25.4 | 22.0 | 18.9 | 15.6 | **104.3** |
| - LT 3-Phase meter | Rs. Crs | 18.6 | 21.0 | 21.2 | 19.7 | 20.2 | **100.7** |
| - LT CT meter | Rs. Crs | 16.1 | 18.8 | 18.6 | 19.2 | 19.8 | **92.5** |
| - HT meter | Rs. Crs | 4.1 | 4.2 | 4.3 | 4.4 | 4.6 | **21.5** |

1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.17)**

The wheeling charges computation sheet is enclosed as **Annexure-IV**.

1. **Reply to Query – IV. MYT for 4th MYT Control Period from FY 2019-20 to FY 2023-24 (Point No.18)**

**Reply:** The wheeling revenue computation is already submitted in Form 1c of the TSSPDCL MYT Distribution Business Forms. The Form is also enclosed as **Annexure-V .**