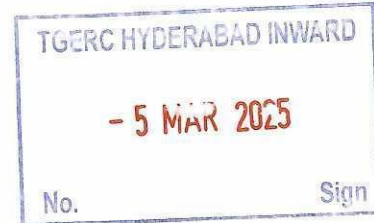


**ASCI/CES/2024-25/O-042/457**

**February 4, 2025**

**The Commission Secretary**

Telangana Electricity Regulatory Commission  
Vidyuth Niyamtran Bhavan, G.T.S. Colony  
Kalyan Nagar  
Hyderabad – 500 045



**Sub: Comments for – TGERC 9<sup>th</sup> State Advisory Committee Meeting - Reg.**  
**Ref: Lr.No.TGERC/Secy/SAC/F.No: SAC/E.No:E-780812/D.No:112 Dt: 17.02.2025**

Dear Sir,

*Greetings from the Administrative Staff College of India (ASCI)!*

I thank you very much for the Letter cited at reference above. We herewith submit our comments and suggestions, as enclosed.

Yours sincerely,



**Rajkiran Bilolikar**

Encl: a/a

## State Advisory Committee (SAC) Meeting

March 4, 2025

### Comments/Suggestions on the Tariff petitions for FY 2025-26 (2<sup>nd</sup> year of the 5<sup>th</sup> Control Period FY 2024-25 to FY 2028-29) by Centre for Energy Studies, Administrative Staff College of India to Honorable Commission.

1. No tariff increase is proposed for FY 2025-26. Discoms may explain how the entire revenue requirement / revenue gap for FY 2025-26 is proposed to be met. Has the State Govt. consented to provide the entire revenue gap of the Discoms for FY 2025-26 through Tariff subsidy. If not, need to be ascertained.
2. Surplus power capacity available: DISCOMS projected Rs. 1.60 per unit towards realization of surplus power. However, the variable cost say from Yadadri, is more than Rs. 3. DISCOMs are not clear in their submission about better power management. Measures taken/to be taken for cost neutral power surrendered/power under-drawal
3. CESS has projected power purchase cost of Rs.4.77/Kwh. The average power purchase cost of Discoms is Rs.6.01/Kwh in FY 2025-26. Sale of power to CESS, Siricilla can be considered at least to recover the Average Power Purchase Cost (APPC) of the Discoms.
4. Both the DISCOMs are silent on Energy Efficiency, Demand Side Management and PAT benefits.
5. Both the DISCOMs are silent on Prepaid Smart metering implementation in the State to reduce losses and prompt recovery of revenue for sale of power.

6. Both the DISCOMS are silent on Planning elimination of cross subsidy within the same consumers category and other category of consumers. At least commercial category may be considered for better business growth in the state.

7. New Proposals:

- a) Grid Support Charges: Discoms have proposed Grid support charges at Rs.20.04 per KW per month applicable to Co-Located and non Co-located Captive power plants, IPPs and generators having partial PPAs with the licensee over and above PP Capacity.

The commission vide order O.P.Nos. 80 & 81 of 2022 dated 27.03.2024 directed the licensee to calculate Grid Support Charges as per clause 4.1.13. The excerpt of clause is shown below:

*"At this stage, when the Retail Supply Tariffs are already fixed for FY 2023-24 and the Financial Year is at the far end, the commission is not willing to determine GSC for FY 2023-24 and directs TSDISCOMs to file a separate petition for determination of GSC for FY 2024-25 onwards duly following the methodology approved in this order".*

Therefore, the Discoms may be advised to file a separate petition for Grid support charges for FY 2025-26 with full details of such charges in other States.

- b) Unblocking of RKVAH lead for KVAH billing: The Discoms have requested that leading KVARH be unblocked for the purpose of billing to avoid excess injection of leading KVARH into the system. The formula to be considered suggested as below.

$$KVAH = \sqrt{(kwh)^2 + (RKVAH \text{ lag} + RKVAH \text{ lead})^2}$$

(in place of existing formula  $KVAH = \sqrt{(kwh)^2 + (RKVAH \text{ lag})^2}$ )

We feel that it is beneficial to the system. However, in absence of this mechanism in the country, we feel that comprehensive consultation need to be conducted before its acceptance.

c) Cross Subsidy Surcharge

TGSPDCL has provided category wise computation of Cross Subsidy surcharge (para 9.2.2). 20% limit on average realization of the tariff is considered as the limit for CSS.

Now TGSPDCL is requesting not to restrict the Cross-Subsidy Surcharge at 20% of tariff payable by the consumer as the tariffs are not within +/-20% Average Cost of Supply for some categories.

But as per MoP Amendment Rules 2022 dated 29.12.2022, the following is stipulated;

*"Surcharge payable by Consumers seeking Open Access: The surcharge determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act, 2003 shall not exceed twenty percent of the average cost of supply"*

Therefore, limiting the CSS maximum at 20% of Average cost of supply may be examined.