The Federation of Telangana Chambers of Commerce and Industry

(Formerly known as FTAPCCI)

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Empowering Industry, Commerce & Trade

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FTCCI/Energy/2023-24

TSERC HYDERABAD INWARD 19 JUN 2024 No. Sign

14.06.2024

The Secretary,
TSERC
5th Floor, Singareni Bhavan
Red Hills, Hyderabad

Dear Sir,

Sub: Comments / Objections of FTCCI on fresh determination of Cross Subsidy Surcharge for FY 2005-06 to 2014-15

Ref: Public Notice issued on 30/05/2024

Referring to the subject cited, The Federation of Telangana Chambers of Commerce and Industry is hereby submitting its Objections/Suggestions in the matter of fresh determination of Cross Subsidy Surcharge to be levied for the FYs 2005-06 to 2014-15 in respect of the open access consumers by TSDISCOMs under section 42 of the Electricity Act, 2003 pursuant to directions given by the Hon'ble High Court in its common Order dated 12.02.2020 in W.P.No.21936 of 2018 & others.

We request the Hon'ble Commission to provide us the opportunity to present the comments in person during the Public Hearing

Thanking you,

Yours sincerely,

T Sujatha
Sr. Director

Before the Hon'ble Telangana State Electricity Regulatory Commission

Statement of Objections

In the matter of fresh determination of Cross Subsidy Surcharge
to be levied for the FY 2005-06 to 2014-15
in respect of Open Access consumers under Section 42 of the Electricity Act 2003

pursuant to the directions given by the
Hon'ble High Court in its common order dated 12.02.2020 in W.P. No. 21936 of 2018 and Others

by

The Federation of Telangana
Chambers of Commerce and Industry
(FTCCI)

May, 2024

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A. Introduction

1. As per Section 39(2)(d)(ii), 40(c)(ii) and 42(2) of the Electricity Act, 2003 (hereinafter referred to as 'the Act'), provides for payment of a surcharge by the consumer (hereinafter also referred to as '**the Cross-subsidy Surcharge'**) when a consumer avails power under open access. Further, Section 42(2) of the Act provides that the surcharge shall be determined by the Hon'ble State Commission and such surcharge shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee.

2. Similarly, Regulation 17.1 of APERC Terms and Conditions of Open Access to Intra State Transmission and Distribution Networks (**Regulation 2 of 2005**) provides for the levy of charges for the use of the transmission and/or distribution system by an open access user:

   "(iii) The Open access users of the Transmission and / or Distribution System where such open across is for delivery of electricity to the consumer's premises in the area of supply of a distribution licensee, ***shall pay to the distribution licensee the (cross-subsidy) surcharge as determined by the Commission from time to time under Section 42 (2) of the Act:***

   Provided that no (cross-subsidy) surcharge shall be payable if the open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use."

B. Historical Background

3. The erstwhile Andhra Pradesh Electricity Regulatory Commission (hereinafter also referred to as '**Hon'ble APERC**') for the then conjoint state of Andhra Pradesh and Telangana, had initially determined the Cross Subsidy Surcharge (CSS) and Additional Surcharge (AS) vide its Order dated 21.09.2005 in OP No.16 of 2005 for the FY 2005-06 and further vide Order dated 29.08.2006 in OP. No.13 of 2006 for the FY 2006-07.

4. It may be noted that the afore-mentioned Orders dated 21.09.2005 and 29.08.2006 determined the Cross Subsidy Surcharge based on the Embedded Cost Methodology. Aggrieved by this methodology for determination of CSS, by the Ld. APERC, M/s. R.V.K Energy & others challenged such CSS Orders for FY 2005-06 and FY 2006-07 before the Hon'ble APTEL. The Ld. Tribunal vide its Order dated 05.07.2007 in A. Nos. 169-172 of 2005 & 248-249 of 2006 allowed the appeals and directed the erstwhile APERC to compute the CSS for availing open access in accordance with the formula as specified in the National Tariff Policy 2006 (NTP

2006), for the years under consideration and from there onwards. The relevant excerpt of the APTEL's judgement dated 05.07.2007 is as hereunder:

> "44. *In the circumstances, therefore,* ***we direct the APERC to compute the cross subsidy surcharge, which consumers are required to pay for use of open access in accordance with the Surcharge Formula given in para 8.5 of the Tariff Policy, for the year 2006-07 and for subsequent years.***
>
> *45. In future all the Regulatory Commissions while fixing wheeling charges, cross subsidy surcharge and additional surcharge, if any, shall have regard to the spirit of the Act as manifested by its Preamble. The charges shall be reasonable as would result in promoting competition. They shall be worked out in the light of the above observations made by us.*
>
> ***This direction shall also apply to the APERC for computing the cross subsidy surcharge for the year 2005-06 as well.***
>
> *46. Accordingly, the Appeals are allowed to the extent indicated above."*

5. The then Hon'ble APERC aggrieved by the above directions, filed Civil Appeal Nos. 4936-4941 of 2007 before the Hon'ble Supreme Court challenging the APTEL's Order dated 05.07.2007, which was subsequently stayed by the apex court vide its Interim Order dated 05.05.2008. Thereafter, the Hon'ble Supreme Court vide its Order dated 04.12.2009 directed the Interim Order to be operative till the final disposals of the civil appeals pending before it.

6. During the pendency of the afore-mentioned appeals, the erstwhile APERC provisionally extended the applicability of CSS/AS rates determined for FY 2006-07 vide its Order dt. 28.03.2007 in OP. No.5 of 2007. The erstwhile APERC also determined the CSS for FY 2007-08 to FY 2012-13 in O.P. No. 5 of 2007, O.P. No. 73-77 of 2012 vide its Order dated 26.10.2012. It may be noted in this regards, that the embedded cost methodology was followed with the observation that such determination of CSS is subject to the final disposal of the C.A. Nos. 4936-4941 of 2007 by the apex court.

7. For the FY 2013-14, the erstwhile APERC determined the CSS as 'NIL' due to the prevailing Restriction and Control measures and the inability of the Licensees to supply uninterrupted power to the consumers. For the FY 2014-15, no CSS Order has been passed.

8. Consequent to bifurcation of the state in Telangana and Andhra Pradesh, the present Hon'ble Telangana State Electricity Regulatory Commission (hereinafter to as '**Hon'ble TSERC**') was constituted in terms of the Andhra Pradesh Reorganisation Act, 2014.

9. Lastly, the Hon'ble SC vide its Order dated 31.03.2016 upheld the directions dated 05.07.2007 of the Ld. APTEL in respect of determination of CSS based on

methodology provided in the NTP 2006, and dismissed the C.A. Nos. 4936-4941 of 2007.

10. Accordingly, Hon'ble APERC has determined the CSS afresh for the period FY 2005-06 to FY 2012-13 and FY 2015-16 vide its Order dated 19.11.2016 in O.P. Nos. 16 of 2005, 13 of 2006, 5 of 2007, 73 of 2012, 74 of 2012, 75 of 2012, 76 of 2012, 77 of 2012 and 8 of 2015 (hereinafter referred to as "**APERC Order**") as per the provisions of NTP, 2006 (as read with amendment dated 31.03.2008, 20.01.2011 and 08.07.2011).

    Subsequently, Hon'ble TSERC also determined the CSS for each year of the period FY 2005-06 to FY 2014-15 vide its Common Order dated 06.04.2018 in I.A. No. 9 of 2017 in O. P. No. 16 of 2005, I. A. No. 10 of 2017 in O. P. No. 13 of 2006, I. A. No. 11 of 2017 in O. P. No. 5 of 2007, I. A. No. 12 of 2017 in O. P. No. 73 of 2012, I. A. No. 13 of 2017 in O. P. No. 74 of 2012, I. A. No. 14 of 2017 in O. P. No. 75 of 2012, I. A. No. 15 of 2017 in O. P. No. 76 of 2012, I. A. No. 16 of 2017 in O. P. No. 77 of 2012, O. P. No. 13 of 2017 & O. P. No. 14 of 2017 as per the provisions of NTP, 2006 (read with amendments) (hereinafter referred to as '**Common Order**').

11. Aggrieved by the procedural lapse during the conduct of the above proceedings, by the Hon'ble Commission, various Open Access consumers of the state filed Writ Petitions before the Hon'ble Telangana High Court. The OA consumers contended that the Hon'ble TSERC had determined the CSS for each year of the period FY 2005-06 to FY 2014-15 without giving any notice as contemplated in TSERC Regulation 2 of 2015. Hon'ble Telangana High Court vide Order dated 12.02.2020 in W.P. No.s W.P.Nos.21936, 24528, 28309, 28926, 28948, 29013, 29777, 31156, 31494, 31500, 31628, 32534, 32548, 32563, 32778, 33954, 34387,35081, 22517, 22738, 22764, 22970, 23492, 23518, 23922, 24496, 24666, 24699, 24798, 24909, 24990, 25168, 25215, 25227, 27313, 27454, 27954, 28228, 29131, 22191, 22192, 22506, 22565 & 24694 of 2018 remanded the matter back to the Hon'ble TSERC for fresh determination of CSS. Relevant extracts of the Order are reproduced as under:

    "Having considered the rival submissions made by the learned counsel on either side, this Court is of the considered view that ***all the writ petitions can be disposed of by remanding the matters back to the 1st respondent for fresh determination of Cross Subsidy Surcharge, after giving notice to the affected parties in terms of Clauses 16 (ii) and 17 of the Regulations*** *prescribed by the 1st respondent and pass appropriate orders within a period of six months from the date of receipt of a copy of this order. It is needless to state that the petitioners are at liberty to raise all legal grounds in accordance with law.* ***Any demand issued pursuant to the orders passed by the 1st respondent on 6.4.2018 shall automatically stands quashed****. The 1st respondent shall decide the cases, which have been remanded by the Tribunal, for the years 2004-2005 and 2005-2006."*

12. In compliance of the above direction of the Ld. Supreme Court, Hon'ble TSERC initiated the present proceedings, inviting public consultation vide Public Notice dated 09.05.2024 (hereinafter referred to as '**Public Notice**') by way of which it has proposed fresh determination of CSS for each year of the FY 2005-06 to FY 2014-15.

13. Accordingly, this Statement of Objections is herein being filed on behalf of 'The Federation of Telangana Chambers of Commerce and Industry, formerly known as The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), (hereinafter referred to as '**Objector**' or '**FTCCI**'). It is an association formed in 1917 as a Chamber of Commerce and having its registered office at the Federation House 11-6-841, Red Hills, FTCCI Marg, Hyderabad 500004, Telangana, India. The main function of the Association is to promote and protect the interests of trade, commerce, and industry.

14. A brief summary of the CSS proposed by the Hon'ble Commission for HT - 1 consumer category (Industry), as per the Public Notice for each year of the period FY 2005-15 is shown as under:

(All figures in Rs./unit)

FY	Proposed by TSERC (as per NTP 2006)			
	TSSPDCL		TSNPDCL	
	132 kV	33 kV	132 kV	33 kV
FY 2006	0.24	-	0.28	-
FY 2007	0.52	0.89	0.74	0.90
FY 2008	0.12	0.44	0.34	0.47
FY 2009	0.56	0.79	0.57	0.78
FY 2010	-	-	-	-
FY 2011	-	-	-	-
FY 2012	-	-	-	0.17
FY 2013	0.03	0.44	0.59	0.71
FY 2014	0.71	1.13	1.02	1.16
FY 2015	0.71	1.13	1.02	1.16

C. Inconsistency in the input numbers considered by Hon'ble TSERC vide Order dated 06.04.2018 and the proposal dated 09.05.2018

15. The formula for computation of Cross subsidy surcharge as per National Tariff Policy 2006 is as under:

> *"Surcharge formula:*
> *S = T – [C (1+ L / 100) + D]*
> *Where*
> *S is the surcharge*
> *T is the Tariff payable by the relevant category of consumers;*
> *C is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power*
> *D is the Wheeling charge*
> *L is the system Losses for the applicable voltage level, expressed as a percentage"*

16. It is humbly submitted that Tariff "T", Wt. Avg. Cost of Power Purchase "C", Wheeling Charges "D", Losses "L" act as an input cost for the determination of Cross Subsidy Surcharge.

17. The Hon'ble Commission vide Common Order has relied on the input no.s which are contrary to the Input no.s proposed in the Public Notice.

18. The variation in input no.s for FY 2005-06 (for TSSPDCL) is shown below for ease of reference:

FY	Consumer Category	Tariff	Wt. Avg. Cost of Top 5%	System losses	Wheeling charges	Cross subsidy surcharge
		T	C	L	D	CSS
As per Public Notice						
FY 2005-06	11 KV	3.83	3.27	16.67%	0.46	0.00
	33 KV	3.84	3.27	10.49%	0.46	0.00
	132 KV	3.78	3.27	5.00%	0.11	0.24
As per Common Order						
FY 2005-06	11 KV	3.30	3.20	13.47%	0.59	0.00
	33 KV	3.84	3.20	9.04%	0.59	0.05
	132 KV	3.78	3.20	5.00%	0.59	0.00

In a similar manner, there is substantial variation in the input no.s for other years as well (FY 2006-07 to FY 2014-15) considered by the Hon'ble TSERC in the Common Order compared to the input no.s proposed in the Public Notice.

19. The marked inconsistency as noted above is resulting into a significant variation in the CSS approved in the Common Order and CSS proposed in the Public Notice. While the Objector is not proposing for the adoption of CSS approved in the Common Order however, the input no.s to arrive at the CSS must be neatly looked insofar as the CSS determination is concerned.

20. The point-wise Objections on the proposed CSS for each year of the period FY 2005-15 is provided in the subsequent paragraphs.

D. Cross subsidy determination for the FY 2013-14 and FY 2014-15

21. The Hon'ble Commission has proposed (by way of Public Notice) to determine the Cross subsidy surcharge for each year of the period FY 2005-06 to FY 2014-15 including FY 2013-14 and FY 2014-15.

22. At the outset, the CSS for the years under consideration (as above) was determined by the erstwhile APERC. For the period under consideration, the erstwhile APERC has approved the CSS as follows:
    a. For FY 2005-06 to FY 2012-13 – Based on Embedded cost methodology
    b. For FY 2013-14 – As NIL due to R&C measures in place
    c. For FY 2014-15 – Stayed NIL as no fresh Order was issued and the FY 2013-14 approved Tariff/ CSS was put to effect.

23. During FY 2012-13, the consumers of the state of erstwhile AP started facing acute power shortages from the discoms, therefore, the erstwhile APERC by way of several Order put in place a mechanism on R&C measures. In reference to the proceedings dated 14.09.2012 and 01.11.2012 (*ref.* Proceedings No. APERC/ Secy/ 14/ 2012-13 and APERC/ Secy/ 16/ 2012-13), such R&C measures were being in effect from 12.09.2012 to 31.03.2013 (Copy attached as **Annexure – A**) which was extended for the FY 2013-14 as well.

24. For FY 2013-14, the erstwhile APERC vide Order dated 13.08.2013 in O.P. No.54 of 2013 had ordered that the Cross-Subsidy Surcharge & Additional Surcharge be "NIL" for all OA consumers falling in the service areas of all the Distribution Licensees in the State for the FY 2013-14 in view of the then prevailing R&C measures. However, DISCOMs were given the liberty to approach the Commission afresh on Cross Subsidy Surcharge & Additional Surcharge proposals, during that Financial Year, if they could assure 100% power supply to all subsidizing consumers, for at least four (4) months consecutively.
    Further, the above Order was reviewed before the erstwhile APERC by way of Review Petition bearing R.P. No.1 of 2013 which was dismissed by way of Order dated 22.01.2014.

25. In view of the above, the following emerges:
    a. CSS was to be NIL for all Distribution Licensees under undivided AP.
    b. Discoms were given the liberty to approach APERC afresh during that Financial year subject to the condition that 100% power supply could be ensured for at least 4 months.

    In accordance with the submissions placed before/ by the Hon'ble Commission, the said status (CSS to be NIL) still stands for the FY 2013-14 and has attained its finality for the contiguous area of AP and Telangana.

26. The instant proceeding of determining the CSS for the FY 2013-14 does not arise as the matter had already attained its finality and is not pending before any Court of Law.
The Hon'ble TSERC's proposal is an outcome of the High Court's Order dated 12.02.2020 which itself was an outcome of the Ld. Supreme Court's judgement dated 31.03.2016.
Furthermore, the Ld. Supreme Court, by way of judgement dated 31.03.2016 dismissed the Civil Appeals filed against the Ld. APTEL's judgement dated 05.07.2007. Therefore, it is fit to evaluate the Hon'ble Commission's approach in accordance with the findings/ observations made the Ld. APTEL.

27. To bring clarity in the discussion, it is relevant to point out that the Appeal was at the first instance moved by the various Consumer/ Groups/ Associations as the CSS was determined by the Hon'ble Commission on the Embedded cost methodology which was in contravention to the National Tariff Policy, 2006.
Ld. APTEL vide Order dated 05.07.2007 in Appeal Nos. 169,170,171,172 of 2005 & 248 and 249 of 2006 disposed the Appeal and observed as under:

> *"44. In the circumstances, therefore, we direct the APERC* ***to compute the cross subsidy surcharge,*** *which consumers are required to pay for use of open access* ***in accordance with the Surcharge Formula given in para 8.5 of the Tariff Policy, for the year 2006-07 and for subsequent years.***
> *45. In future all the Regulatory Commissions* ***while fixing*** *wheeling charges,* ***cross subsidy surcharge and additional surcharge,*** *if any,* ***shall have regard to the spirit of the Act*** *as manifested by its Preamble. The charges shall be reasonable as would result in promoting competition.* ***They shall be worked out in the light of the above observations made by us. This direction shall also apply to the APERC for computing the cross subsidy surcharge for the year 2005-06 as well."***

Based on the above, it is trite to state that the limited scope that the Ld. Appeal dealt was whether the CSS had to be determined based on embedded cost methodology or formula enshrined in the NTP 2006.

28. Coming back to the CSS ordered for FY 2013-14, it could be safely said that the Hon'ble Commission did not determine the CSS and has ordered CSS to be NIL owing to R&C measures. The observation made by erstwhile APERC while approving CSS at NIL was legit and in accordance with the principles set out by various judgments of the Ld. APTEL/ HC (*ref* APTEL judgeement dated 01.08.2014 in A. No. 33 of 2012). Therefore, FY 2013-14 did not at the first place qualify to be undertaken for CSS fresh determination.

29. While the CSS determination for FY 2013-14 had already attained finality, the discoms have under a vile crafted a way to seek re-determination of CSS for FY 2013-14 and FY 2014-15 which had already attained finality as evident from the fact that alongside fresh determination of CSS for the period FY 2005-13 (as per Ld. Supreme Court judgement), the TS discoms have filed O.P. No.s 13 and 14 of 2017 for the re-determination of CSS for FY 2013-14 and FY 2014-15.

30. To summarize, the said judgement of the Ld. APTEL as upheld by the Ld. Supreme Court found that the CSS had to be determined as per National Tariff Policy 2006 for the years where CSS was determined using contrary methodology.

    Since FY 2014-15 adopted the CSS/ Tariff as approved for FY 2013-14, the CSS for FY 2014-15 is deemed to have already been determined and therefore does not call for fresh determination as per Ld. APTEL's observation.

31. Likewise, Hon'ble APERC (issued pursuant to the Ld. Supreme Court's Order) also by way of Order dated 19.11.2016 also tactfully did not determine the CSS afresh for the FY 2013-14 and FY 2014-15; It only determined the CSS for the FY 2005-06 to FY 2012-13 and FY 2015-16.
    The extracts of the filings made by the AP discoms (APSPDCL and APEPDCL) also depict that the discoms were directed to file for CSS only for the FY 2005-06 to FY 2012-13 and FY 2015-16. Relevant extracts of the filings made by APEPDCL is reproduced as under:

    > *"FILINGS (APEPDCL)*
    >
    > ***Cross Subsidy Surcharge Refiling for FY 2005-06 to FY 2012-13 and FY 2015-16***
    >
    > *Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC) released a public notice on 02.06.2016 for the re-computation of Cross Subsidy Surcharge (CSS) and Additional Surcharge (AS) for FY 2005-06 to FY 2015-16 as per the National Tariff Policy 2006 (NTP-2006). However, for FY 2013-14 and FY 2014-15, the Hon'ble APERC decided that no re-computation was required as the CSS and AS are "NIL" for FY 2013-14 and CSS and AS were not determined for FY 2014-15 in the beginning itself. Subsequently, the Hon'ble APERC directed the DISCOMs to re-compute the CSS and AS for FY 2005-06, FY 2006-07 to FY 2012-13 and FY 2015-16 as per NTP-2006."*

32. Based on the above discussions, the instant proceedings for fresh determination of CSS for the FY 2013-14 and FY 2014-15 is uncalled for in terms of the Ld. APTEL's judgement as well as Ld. Supreme Court's judgement and therefore is against the Law. Further, as per the above principles, the applicability of CSS during the FY 2012-13 would only be for the period prior to 12.09.2012 *i.e.* period when the R&C measures were not in place.

Therefore, it is humbly requested that the CSS for FY 2013-14 and FY 2014-15 need not be determined afresh.

E. Cross subsidy surcharge computation in consonance with the Audited Accounts

33. National Tariff Policy 2006 provides for levy of Cross subsidy surcharge to an Open Access consumer. It further provides that the Cross subsidy surcharge must be computed so that the interests of consumers and Utilities are balanced:

    *"8.5 **Cross-subsidy surcharge and additional surcharge for open access***
    *8.5.1 **National Electricity Policy lays down that the amount of cross-subsidy surcharge and the additional surcharge to be levied from consumers who are permitted open access should not be so onerous that it eliminates competition which is intended to be fostered in generation and supply of power directly to the consumers through open access.***

    *A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross subsidy surcharge. **The computation of cross subsidy surcharge, therefore, needs to be done in a manner that while it compensates the distribution licensee, it does not constrain introduction of competition through open access.** A consumer would avail of open access only if the payment of all the charges leads to a benefit to him. While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers."*

34. It is submitted that despite the direction of the Hon'ble Telangana High Court for a fresh determination of CSS, the Hon'ble TSERC has relied on the erstwhile RST/ Tariff/ MYT Orders issued by the Hon'ble TSERC for the Discoms and Transcos. Notably, such exercise is being conducted based on the projected made by the Licensees in respect of expenditure and revenue items based on the historical data available at such point of time. This is owing to the fact that the exercise of determination of CSS/Retail Tariff is undertaken prior to commencement of a given FY wherein the actual expenses/revenue data is not available.

35. However, the present matter (Public Notice proposal) is peculiar due to the reason that the CSS is being determined post closure of the relevant financial year and therefore, since the audited accounts are readily available, there is no rationale in Ld. TSERC placing reliance on the projected numbers approved in the RST/ Tariff/ MYT Orders for the purposes of determination of CSS. In addition, the provisions of the Regulations 4 of 2005 and Regulation 2 of 2005 do not bar the Hon'ble Commission in any manner to adopt the actuals for the determination of CSS. Further, as a matter of principle, the CSS must be approved in a manner that reflect the actual level of cross subsidy. Therefore, since the instant case deals with fresh determination of CSS and not re-determination of CSS, it would be prudent

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if and only if the actual no.s (T, C, D and Losses) are relied upon to arrive at the CSS that accurately reflects the current level of Cross subsidy.

36. It is not out place to mention here that if the intent was to simply restore the numbers as passed in the Order dated 06.04.2018, the Ld. High Court would have said so while setting aside the Hon'ble Commission's Order and would have simply restored the TSERC's Order dated 06.04.2018. However, it is submitted that fresh determination has been directed by the Ld. High Court, which in no manner restricts this Hon'ble Commission from considering the audited accounts for the purposes of determination of CSS. The observations of the Ld. High Court of Telangana in the above context are reproduced as under:

    "Having considered the rival submissions made by the learned counsel on either side, this Court is of the considered view that all the writ petitions can be disposed of by ***remanding the matters back to the 1st respondent for <u>fresh determination</u> of Cross Subsidy Surcharge****, after giving notice to the affected parties in terms of Clauses 16 (ii) and 17 of the Regulations prescribed by the 1st respondent and pass appropriate orders within a period of six months from the date of receipt of a copy of this order."*

37. Furthermore, while the course of the instant proceedings arises out of the Ld. High Court's direction (owing to procedural lapse), the very matter of CSS determination stems out of Ld. Supreme Court judgement dated 31.03.2016. While it is appreciated that by the time Ld. Supreme Court issued the judgement, the state of erstwhile Andhra Pradesh got unbundled to Andhra Pradesh and Telangana, the stress is laid upon the fact that the instant exercise is conducted for the period (FY 2004-05 to FY 2014-15) during which the Orders of erstwhile APERC was applicable. It is also undeniable that the adjudication on the instant matter would rightly lie with newly formed APERC and TSERC for their respective geographical License area.

38. In the above context, since both the Hon'ble APERC and TSERC were directed to determine CSS as per the NTP, 2006 for the period prior to bifurcation, should essentially adopt a similar approach for the erstwhile contiguous territories of Andhra and Telangana for the same category of consumers, unless that differentiation has a reasonable nexus to the objective of the levy of CSS which has not been provided in the public notice. Herein, reliance may also be placed on the apex court's judgement in **R.K. Garg v. Union of India, (AIR 1981 SC 2138)**, wherein it was held that- *the reasonable classification must not be arbitrary, artificial or evasive but must be based on some real and substantial distinction bearing a just and reasonable relation to the object sought to be achieved by the legislation*. The variation in the approach of the Ld. TSERC in the public notice, without adducing any reasons thereto, is in clear cut derogation of Article 14 of the Constitution. Moreover, such mechanical/artificial differentiation without any reasonable basis thereto will

tantamount to discrimination in the same category of consumers of the erstwhile contiguous territories of Andhra and Telangana.

39. In furtherance to the above contention, it may also be relevant to point that the Hon'ble APERC in similar matter in O.P. Nos. 16/2005; 13/2006; 5/2007; 73-77 of 2012 and 8/2015 for the state of Andhra Pradesh has re-determined CSS for FY 2005-06 to FY 2012-13 and FY 2015-16 by relying on the actuals instead of the values as approved in the Tariff Orders based on projections. Relevant extracts of the APERC Order is reproduced herein below-

> *"43. As already mentioned at Para no.12,* ***the Licensees submitted proposals to the Commission on 24.08.16 and 27.08.16 respectively for determination of CSS for FY 2005-06 to FY 2012-13 & FY 2015-16*** ***based on the actual values (instead of tariff orders figures)*** *and as per the formula specified in the National Tariff Policy, 2006. As per the said Tariff Policy, the surcharge shall be computed as per the following formula;*
>
> *S=T-[C(1+L/100) + D]*
>
> *Where*
>
> *S is the surcharge, T is the Tariff payable by the relevant category of consumers, C is the weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power, D is the Wheeling charge, L is the system Losses for the applicable voltage level, expressed as a percentage.*
>
> ***Since the actual values for computing the components in NTP formula are available now, the Commission also feels that it is appropriate to compute CSS based on these values instead of the tariff order figures."*** *(Emphasis Supplied)*

40. In one of the similar matters, Ld. Rajasthan Electricity Regulatory Commission (RERC) while determining CSS for FY 2015-16 in Petition No. 817/2016 has emphasized on the CSS relating to the actual cost and not historical costs. The relevant excerpt of the Order dated 01.12.2016 passed in C. No. 817/2016 is reproduced herein below:

> *48.There is no dispute on the legal position that the CSS should be reduced progressively but* ***the reduction should relate to the actual cost and not to historical facts.*** *While determining CSS in the present order, the* ***Commission has to rely on the present values*** *and accordingly* ***has taken the values as approved in its Tariff order for FY 2015-16. The CSS determined in the order is in accordance with the spirit of the Act on Cross Subsidy Surcharge.*** *(Emphasis Supplied)*

41. In accordance with the above, it is humbly submitted before the Hon'ble Commission to kindly consider the actuals (in reference to the Audited Accounts) to determine the CSS each year of the period FY 2005-06 to FY 2014-15. The same is also in accordance with the CSS formula as prescribed in the NTP 2006 which is as hereunder:

"Surcharge formula:
$S = T - [C (1+ L / 100) + D]$
Where
S is the surcharge
T is the Tariff payable by the relevant category of consumers;
C is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power
D is the Wheeling charge
L is the system Losses for the applicable voltage level, expressed as a percentage"

As per the above formula, it could be inferred that all the variables *i.e.* Tariff (T), Weighted average cost of power purchase (C), Wheeling Charge (D) and System Losses (L) must have varied since the values approved in the CSS Orders for each year of the period FY 2005-06 to FY 2014-15 (by the erstwhile APERC) were on the basis of projections. It is pertinent to note here that the Audited Accounts does not depict the category wise Tariff (T), detailed breakup of Power Purchase Costs (C) for the Objector to make a reasonable assessment of the CSS being proposed by the Ld. TSERC. Additionally, the Loss levels (L), which would have to come from the commercial records of the TS discoms are also not available in Public domain.

42. Constrained by afore-mentioned lack of information, it is humbly suggested that the TS Discoms (TSSPDCL and TSNPDCL) shall be directed to file all the relevant information based on the actuals for the determination of CSS for the period FY 2005-06 to FY 2014-15 and thereafter, suitable time may be given to the objector herein to file its comments based on the information so provided.

F. Consideration of D *i.e.* Wheeling charges

43. It is submitted that the Hon'ble Commission has incorrectly considered 'D' (Wheeling Charges) in respect if distribution wheeling charges. As per the Public Notice for the fresh determination of CSS for the FY 2005-15, wheeling charges in respect of a consumer connected at 11 kV would include wheeling charges limited to 33kV, 11kV voltage levels only. The Hon'ble Commission has completely disregarded the voltage levels of 132 kV and above which is also being utilized for wheeling of electricity from generating source to a consumption point.

44. For illustration, the consideration of D as at respective Voltage levels as per Public Notice for the determination of CSS for FY 2012-13 is as shown below:

Voltage level	(Rs./ KVA/ month)		(Rs./ kWh)	
	NPDCL	SPDCL	NPDCL	SPDCL
132 kV and above	65.50	65.50	0.10	0.10
33 kV	12.70	32.66	0.02	0.06
11kV	143.73	207.47	0.26	0.38

It is observed that the Wheeling charges for a 33kV consumers is pegged at Rs. 0.02/ kWh and Rs. 0.06/ kWh which is less than wheeling charges for 132 kV which is pegged at Rs. 0.10/ kWh. There seems to be some incongruity in the wheeling charges so considered by the Hon'ble Commission at 33 KV and 132 KV voltage levels. The Objector contends that the Wheeling charges for 33 KV must be higher than the Wheeling charges at 132 KV because of:

a. Loss levels: Loss levels at 33 KV are more compared to Loss levels at 132 kV resulting into higher per unit impact on the Wheeling charges at 33 KV.
b. Energy at 132 KV has to be handled at 33 kV Voltage levels therefore, the distribution network at 33 KV and lower levels must be sufficient to cater to the energy being fed from 132 KV Voltage level. Therefore, the asset base and corresponding wheeling charges must be higher for 33 KV network as against 132 KV network.

45. Additionally, the Hon'ble Commission has only considered wheeling charges pertaining to distribution network at respective voltage levels *i.e.* 11 KV and 33 KV while considering "D" for the computation of CSS.

46. Further, the Hon'ble Commission has not taken into consideration the Intra-state as well as Inter-state Transmission charges that should also form the part of Wheeling charges as per the NTP 2006.

47. The National Tariff Policy 2006 provides for the computation of CSS as given hereunder:

"*8.5 Cross-subsidy surcharge and additional surcharge for open access*

*...**A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross subsidy surcharge.** The computation of cross subsidy surcharge, therefore, needs to be done in a manner that while it compensates the distribution licensee, it does not constrain introduction of competition through open access. A consumer would avail of open access only if the payment of all the charges leads to a benefit to him. While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers.*

*Accordingly, when open access is allowed the surcharge for the purpose of sections 38,39,40 and sub-section 2 of section 42 would be computed as the **difference between (i) the tariff applicable to the relevant category of consumers and (ii) the cost of the distribution licensee to supply electricity to the consumers of the applicable class**. In case of a consumer opting for open access, the distribution licensee could be in a position to discontinue purchase of power at the margin in the merit order. Accordingly, the cost of supply to the consumer for this purpose may be computed as the aggregate of (a) the weighted average of power purchase costs (inclusive of fixed and variable charges) of top 5% power at the margin, excluding liquid fuel based generation, in the merit order approved by the SERC adjusted for average loss compensation of the relevant voltage level and (b) **the distribution charges determined on the principles as laid down for intra-state transmission charges**."*

From the afore-mentioned, the following inferences could be drawn:

a. Open Access consumers has to make payment to the Generator; transmission licensee and/or distribution utility whose network is being used, along with Cross subsidy surcharge. It need not be mentioned that these items of expenditure are mutually exclusive. In view thereof, the CSS so determined should be independent of the generation, transmission cost (Intra-state or Inter-state as the case maybe) and distribution wheeling charges which is paid additionally by an OA consumer. Therefore, any cost attributable to Generation, Transmission and Distribution charges ought to be duly adjusted while computing CSS or else it would tantamount to double loading of such charges.

b. CSS to be computed as the difference between Tariff (T) and the cost of the distribution licensee to supply electricity to the consumers of the applicable class. The cost of distribution herein to any class of consumer would include Power purchase cost, Inter-state Transmission charges, Intra state Transmission charges, SLDC charges, Distribution wheeling charges amongst the notable items. Therefore, it is trite to deduct Intra-state, Inter-state Transmission charges as well from the Tariff (T) while determining CSS.

48. Furthermore, reliance is also being placed on the definition of *Wheeling* as provided in the Act and relevant excerpt produced herein below:

> *"(76) "wheeling" means the operation whereby the* ***distribution system and associated facilities of a transmission licensee or distribution licensee, as the case may be, are used by another person*** *for the conveyance of electricity on payment of charges to be determined under section 62;"*

49. The above definition also augments the concept of wheeling charges as provided for in the NTP 2006. The Objector accordingly submits that the Wheeling charges must be considered based on the Transmission charges (intra-state and inter-state) along with Distribution wheeling charges. Therefore, allowable Wheeling charges at respective voltage levels as per Objector's assessment is hereunder:
    a. 11kV – Distribution charges at 11KV & 33 KV, Intra-state and Inter-state transmission charges
    b. 33kV - Distribution charges at 33 KV, Intra-state and Inter-state transmission charges
    c. 132kV - Intra-state and Inter-state transmission charges.

50. In above connection, it is relevant to point out that the Hon'ble APERC also considered the transmission charges (both intra and inter) alongside Distribution charges in consideration of Wheeling charges for computing the CSS. Relevant extracts from Hon'ble APERC Order dated 19.11.2016 in O.P. Nos. 16/2005; 13/2006; 5/2007; 73-77 of 2012 and 8/2015, in the matter of re-determination of CSS for FY 2005-06 to FY 2015-16 is reproduced hereunder:

> *"43..............................*
>
> *For computing the component 'D', the Licensees have adopted the rates as approved in the MYT orders for Transmission, Distribution businesses and Retail Tariff Orders. However, the methodology adopted by Licensees for computing 'D' is not correct.* ***The Commission computed 'D' after grossing up the wheeling charges with transmission losses and adding the same to the PGCL and Transmission charges."***

51. As submitted in the preceding paras, any variation in the approach adopted by the APERC and TSERC for the period prior to unbundling would tantamount to Hon'ble Commission treating same class of consumers in a discriminatory manner. The approach adopted by the Hon'ble APERC while approving the CSS for FY 2005-06 to FY 2012-13 wherein, the wheeling charges constitutes of both the transmission charges alongside Distribution charges in accordance with the NTP, 2006. Relevant extracts of the Order dated 19.11.2016 where the Hon'ble Commission is determining CSS in accordance with NTP 2006 is shown below:

"Now, therefore, the Commission, in exercise of the powers conferred by Sections 39, 40, and 42 of the Act and all other powers enabling it in that behalf and after examination of the licensees' filings for determination of the Cross Subsidy Surcharge for FY 2005-06 to FY 2012-13 & FY 2015-16 and after taking cognizance of all the stakeholders' views/objections/suggestions on these filings obtained as part of the public consultation process, hereby determines the Cross Subsidy Surcharge/Additional Surcharge applicable for different categories of consumers who availed open access for FY 2005-06 to FY 2012-13 & FY 2015-16, as indicated hereinafter in this order. ***The Commission has decided to adopt the formula specified in the National Tariff Policy, 2006 for computing the CSS keeping in view the Hon'ble Supreme Court judgement and the need to balance the interests of all stakeholders."***

It is submitted that no rationale has been provided for such deviation in consideration of wheeling charges being restricted to only distribution charges, to the extent of exclusion of transmission charges, in the Public Notice dated 09.05.2024. It is requested of the Hon'ble Commission to maintain parity with the approach followed in similar Orders or otherwise, a reason be sufficed for such deviation by this Hon'ble Commission as per the law.

52. It is submitted that without any prejudice to the objection raised herein i.r.o. unavailability of audited accounts for CSS determination, as per the Objector's assessment 'D' shall be computed as follows for the respective voltage levels (illustrated i.r.o. charges for FY 2012-13):

TSSPDCL - *(all values in Rs./ unit)*

Voltage level	Inter-state transmission*	Intra state Transmission	Distribution	Wheeling charges
11 kV	0.37	0.10	0.38	0.85
33 kV	0.37	0.10	0.06	0.53
132 kV	0.37	0.10	-	0.47

**Computation depicted under Para below*

TSNPDCL - *(all values in Rs./ unit)*

Voltage level	Inter-state transmission*	Intra state Transmission	Distribution	Wheeling charges
11 kV	0.37	0.10	0.26	0.73
33 kV	0.37	0.10	0.02	0.49
132 kV	0.37	0.10	-	0.47

**Computation depicted under Para below*

53. The computation of Inter-State Transmission charges (indicative for FY 2012-13) is depicted as hereunder:

Particulars	Value	Remarks
PGCIL Charges (Rs. Cr)	507.31	Para 77 (Table 25) of the RST Order dated 30.12.2012
Power purchased from CSGS (Mus)	13,765.41	Para 64 (Table 19) of the RST Order dated 30.12.2012
Inter-state Transmission charges (Rs./ unit)	**0.37**	

54. In a similar manner, the Hon'ble Commission is humbly requested that the Wheeling charges for rest of the years be taken into consideration. The admissible Wheeling charges (including applicable Inter-state charges) for each year of the period FY 2005-15 is provided as **Annexure - B**. The computation of Inter-state charges is also depicted in the **Annexure - B (colly).**

55. It may be noted that the above submissions are subject to the actuals as and when the same are made available to the Objectors.

G. Consideration of 'C' i.e., Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power

56. The Hon'ble Commission has considered 'C' based on the projected Power Purchase Cost in accordance with the RST Order for the respective year under the period *i.e.* FY 2005-15. It is further mentioned that 'C' considered by the Commission is identical for both the discoms for any particular year.

57. The approach adopted by the Hon'ble Commission indicate that the Power purchase cost pooled and allocated amongst the discoms. However, in accordance with the submissions made in the preceding sections in respect of reliance on actuals for determination of CSS, the Objector humbly re-iterates that the Power Purchase cost 'C' must be considered on actuals so that the CSS be computed in a manner that closely resembles the level of Cross-subsidy.

58. The Objector has placed reliance on the Power purchase cost considered by the Hon'ble APERC (which is based on the actuals) while determining CSS in pursuance of the Ld. Supreme Court's judgement dated 31.03.2016. The variation in the 'C' as per the actual Power purchase cost in accordance with the APERC Order vis-à-vis 'C' as proposed by TSERC based on historical RST Orders is depicted in the table below:

FY	Proposed by TSERC	'C' as per APERC Order	% increase in actuals vis-vis proposed
	TSSPDCL and TSNPDCL	APEPDCL	
FY 2006	3.27	2.95	-10%
FY 2007	2.57	3.47	35%
FY 2008	2.81	4.6	64%
FY 2009	2.59	7.03	171%
FY 2010	4.65	5.69	22%
FY 2011	3.57	4.65	30%
FY 2012	3.54	4.96	40%
FY 2013	4.12	6.41	56%

59. The stark variation in the 'C' indicates as to how significant the burden of CSS could be if relied on projected numbers instead of actuals.

To have a parity in the methodology for determination of 'C' across AP and Telangana, the Objector humbly submits that 'C' must be devised on actuals and not projected numbers.

H. Summary

60. Notwithstanding to the absence of filings on CSS based on actuals and based on the discussions in the preceding sections, the allowable CSS as per the Objector's assessment for HT - 1 (Industry category) for each year of the period FY 2005-06 to FY 2014-15 is as follows:

FY	As per Objector's assessment				
	TSSPDCL			TSNPDCL	
	132 kV	33 kV		132 kV	33 kV
FY 2006	0.24	-		0.28	-
FY 2007	-	-		-	-
FY 2008	-	-		-	-
FY 2009	-	-		-	-
FY 2010	-	-		-	-
FY 2011	-	-		-	-
FY 2012	-	-		-	-
FY 2013	-	-		-	-
FY 2014	-	-		-	-
FY 2015	-	-		-	-

61. The detailed computation of CSS is depicted below for the kind consideration of this Hon'ble Commission as under:

<u>TSSPDCL</u>

FY	Consumer Category	Tariff	Wt. Avg. Cost of Top 5%	System losses	Wheeling charges	Cross subsidy surcharge
		T	C	L	D	CSS
FY 2005-06	11 KV	3.83	3.27	16.67%	0.46	-
	33 KV	3.84	3.27	10.49%	0.46	-
	132 KV	3.78	3.27	5.00%	0.11	0.24
FY 2006-07	11 KV	3.98	3.47	15.28%	0.42	-
	33 KV	3.74	3.47	8.47%	0.31	-
	132 KV	3.27	3.47	4.45%	0.25	-
FY 2007-08	11 KV	3.75	4.6	14.60%	0.44	-
	33 KV	3.53	4.6	8.13%	0.33	-
	132 KV	3.12	4.6	4.30%	0.27	-
FY 2008-09	11 KV	3.99	7.03	14.02%	0.45	-
	33 KV	3.64	7.03	7.85%	0.34	-
	132 KV	3.32	7.03	4.20%	0.28	-

FY	Consumer Category	Tariff	Wt. Avg. Cost of Top 5%	System losses	Wheeling charges	Cross subsidy surcharge
		T	C	L	D	CSS
FY 2009-10	11 KV	3.9	5.69	12.66%	0.61	-
	33 KV	3.53	5.69	8.06%	0.32	-
	132 KV	3.34	5.69	4.16%	0.27	-
FY 2010-11	11 KV	4.28	4.65	13.52%	0.67	-
	33 KV	3.64	4.65	8.00%	0.38	-
	132 KV	3.39	4.65	4.13%	0.32	-
FY 2011-12	11 KV	4.56	4.96	13.25%	0.73	-
	33 KV	3.84	4.96	7.96%	0.41	-
	132 KV	3.58	4.96	4.10%	0.35	-
FY 2012-13	11 KV	5.8	6.41	12.95%	0.85	-
	33 KV	4.95	6.41	7.89%	0.53	-
	132 KV	4.42	6.41	4.06%	0.47	-

TSNPDCL

FY	Consumer Category	Tariff	Wt. Avg. Cost of Top 5%	System losses	Wheeling charges	Cross subsidy surcharge
		T	C	L	D	CSS
FY 2005-06	11 KV	4.31	3.27	17.26%	0.60	-
	33 KV	4.12	3.27	10.77%	0.60	-
	132 KV	3.82	3.27	5.00%	0.11	0.28
FY 2006-07	11 KV	4.44	3.47	15.28%	0.41	0.03
	33 KV	3.73	3.47	8.47%	0.29	-
	132 KV	3.49	3.47	4.45%	0.25	-
FY 2007-08	11 KV	3.9	4.6	13.98%	0.43	-
	33 KV	3.58	4.6	9.26%	0.31	-
	132 KV	3.34	4.6	4.30%	0.27	-
FY 2008-09	11 KV	4.03	7.03	14.06%	0.44	-
	33 KV	3.64	7.03	8.91%	0.33	-
	132 KV	3.33	7.03	4.20%	0.28	-
	11 KV	4.12	5.69	2.60%	0.50	-
	33 KV	3.67	5.69	8.47%	0.29	-

FY	Consumer Category	Tariff	Wt. Avg. Cost of Top 5%	System losses	Wheeling charges	Cross subsidy surcharge
		T	C	L	D	CSS
FY 2009-10	132 KV	3.18	5.69	4.16%	0.27	-
FY 2010-11	11 KV	4.46	4.65	12.61%	0.56	-
	33 KV	3.83	4.65	8.20%	0.34	-
	132 KV	3.39	4.65	4.13%	0.32	-
FY 2011-12	11 KV	4.5	4.96	12.35%	0.61	-
	33 KV	4.02	4.96	8.03%	0.37	-
	132 KV	3.67	4.96	4.10%	0.35	-
FY 2012-13	11 KV	5.84	6.41	12.04%	0.73	-
	33 KV	5.17	6.41	7.90%	0.49	-
	132 KV	4.98	6.41	4.06%	0.47	-

62. It may be noted that the above submissions are subject to the actuals as and when the same are made available to the Objectors.
    The Objector further craves liberty to submit additional submissions if any at the time of Public Hearing held by this Hon'ble Commission.

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Annexure - B

FY	Claimed			Admissible	
	TSSPDCL Wheeling charges	TSNPDCL Wheeling charges		TSSPDCL Wheeling charges	TSNPDCL Wheeling charges
FY 2005-06	0.46	0.60		0.79	0.93
	0.46	0.60		0.79	0.93
	0.11	0.11		0.33	0.33
FY 2006-07	0.17	0.16		0.42	0.41
	0.06	0.04		0.31	0.29
	0.07	0.07		0.25	0.25
FY 2007-08	0.17	0.16		0.44	0.43
	0.06	0.04		0.33	0.31
	0.07	0.07		0.27	0.27
FY 2008-09	0.17	0.16		0.45	0.44
	0.06	0.05		0.34	0.33
	0.06	0.06		0.28	0.28
FY 2009-10	0.34	0.23		0.61	0.50
	0.05	0.02		0.32	0.29
	0.07	0.07		0.27	0.27
FY 2010-11	0.35	0.24		0.67	0.56
	0.06	0.02		0.38	0.34
	0.08	0.08		0.32	0.32
FY 2011-12	0.38	0.26		0.73	0.61
	0.06	0.02		0.41	0.37
	0.10	0.10		0.35	0.35
FY 2012-13	0.38	0.26		0.85	0.73
	0.06	0.02		0.53	0.49
	0.10	0.10		0.47	0.47

Annexure – B (colly)

FY	PGCIL Cost (Rs. Crore)	Energy from CSGS (Mus)	ISTS charges (Rs./ unit)
FY 2006	225	10,070	0.22
FY 2007	195	10,588	0.18
FY 2008	230	11,665	0.20
FY 2009	310	13,885	0.22
FY 2010	280	14,023	0.20
FY 2011	334	14,066	0.24
FY 2012	331	13,049	0.25
FY 2013	507	13,765	0.37

PGCIL cost and Energy from CSGS as per RST Orders of respective years

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad - 500 004

Revised Order on Restriction and Control measures - Approval granted.

...

Proceedings No. APERC/Secy/14 /2012-13 Dated: 14-09-2012

Read the following:

1. Proceedings No. APERC/Secy/ 13 /2012-13 Dated: 07-09-2012
2. CGM(Comml)/SE(C)/ DE(C) /ADE(C)/D.No. 1831/12 Dated 11-09-2012.
3. CGM(Comml)/SE(C)/ DE(C) /ADE(C)/D.No. 1624/12 Dated 29-08-2012
4. Tariff Order FY 2012-13
5. Secy/01/2006 Dated 06-01-2006.

***

The Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL), on behalf of all the four Distribution companies, namely APCPDCL, APEPDCL, APNPDCL, APSPDCL, submitted a representation vide reference (3) cited, seeking permission to impose restriction on power supply under section 23 of Electricity Act, 2003 and Clause 16 of General Terms and Conditions of Supply. The brief details of the proposals are furnished below:

2. The Distribution Licensees stated that the state will be in an energy deficit situation during the year 2012-13 due to the following reasons:

- **Load Growth:** Presently power supply to APDISCOMs is about 202 MU / day as against a demand of 276 MU / day. There is a shortfall of 74 MU / day. This is due to load growth by about 10% when compared to previous year i.e., 2011. The demand met during the month of August 2012 is 9929 MW due to prevailing R&C measures as against demand of 11377 MW met during the month of August 2011 which is due to shortfall in generation.
- **Outages of Thermal Generating Plants:** Continuous dry spell in the State and increasing demand combined with more forced outages of thermal units due to technical problems has resulted in average shortfall of 49 MU / day during the month of August 2012.

- **Non-availability of Hydel Capacity:** Due to delay in monsoon and insufficient inflows to hydel reservoirs, the hydel stations are not in a position to operate at full capacity and thus the shortfall in hydel generation is about 30 MU / day.

- Gas shortage - Due to short supply of gas, around 2038 MW of availability has been affected adversely.

3. <u>Demand Supply Estimates for the period August 2012-May 2013:</u>

Power Availability, System Requirement and deficit position in the State is as shown in the table below:

Month	Total Power Availability (MU)	System Requirement (MU)	Monthly Energy Deficit (MU)	Daily Energy Deficit (MU)
Aug'12	6,462	7,888	1,426	46
Sept'12	7,086	8,223	1,137	38
Oct'12	7,473	8,986	1,513	49
Nov'12	6,978	8,155	1,177	39
Dec'12	7,354	8,323	969	31
Jan '13	7,478	8,139	661	21
Feb '13	6,987	8,104	1,117	40
Mar '13	7,699	10,140	2,441	79
Apr'13	7,018	9,246	2,228	74
May'13	7,239	8,470	1,232	40

4. Major States in the country are facing energy deficit and the inter-regional transmission corridor constraints limit the extent of power procurement by APDISCOMs from market. The Licensees projected that, there would be high quantum of energy deficit to the extent of 21 MU to 79 MU during the period between September, 2012 and March, 2013 and further stated that the APDISCOMs have no other option but to impose restriction on usage of power.

5. The Commission examined the Licensees' proposal in detail and considering the recent Grid disturbance in Northern Region on 30th July 2012 and in Northern, Eastern & North-Eastern Region on 31st July 2012, the Commission came to the view that it is

essential to permit the restriction on usage of power by consumers in order to protect the Grid from such grid failures and to maintain discipline among various consumers.

Accordingly, the Commission issued order cited in reference (1) imposing certain Restriction and Control measures effective from 12-09-2012.

The DISCOMs submitted a revised proposal vide letter cited in reference (2), stating that the revised proposals were made to the R&C order issued on 7-9-2012 in pursuance of representations received by them from various consumer groups and after discussions with all the four DISCOMs in the tele-conference held on 10-09-2012. Further the Discoms stated that, as per the order, consumers can consume power only to the extent of 36.6%, which is very low and requested to revise the existing load factor from 0.7 to unity.

The Commission has examined the changes suggested by APDISCOMs and also taken note of certain representations made orally or in writing by certain Consumer Associations to the Commission.

Considering the above, the Commission in supersession of the order dated 07-09-2012, has decided to impose the following R&C measures in the state, with effect from 12-09-2012.

ORDER:

6. In exercise of the powers conferred by Section 23 read with clause (k) of Sub-section (1) of Section 86 of the Electricity Act, 2003 (36 of 2003) and all powers, enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby imposes the following revised Restrictions and Control Measures in supersession of the order dated 07-09-2012 to be implemented from 12th September 2012 to 31st March, 2013.

7. For the purpose of implementation of this order, the consumers have been classified into the following categories. These categories are relevant only for the purpose of this order.

(a) HT Consumers

(b) LT Industrial Consumers and Advertising hoardings

8. The List of consumer categories exempted from provisions of power restrictions are set out in *Para 13*.

9. Category of consumers to whom R&C measures are applicable:

- HT Consumers and Advertising hoardings.
- LT - Industrial consumers including industries in RESCOs.
- For Rural Electric Cooperative Societies (RESCOs) no energy restriction is imposed. However, RESCOs shall implement R & C measures to consumer categories as approved in this order.

10. <u>Restriction on Contracted Demand and Energy consumption from September 2012 to March, 2013:</u>

Category	Load Relief (LR) %		Permitted Demand Limit (PDL)		Permitted Consumption Limit (PCL)	
	Off-Peak	Peak	Off peak period (00:00 Hrs to 18:00 Hrs and 22:00 to 24:00 Hrs)	Peak period (18:00 to 22:00 Hrs)	Off-Peak	Peak
HT-I continuous process industries	40% of Contracted Maximum Demand	70% of Contracted Demand	60% of Contracted Maximum Demand	30% of Contracted Demand	Consumption upto 90% Load Factor on the PDL	Consumption upto 100% Load Factor on the PDL
HT-I other than continuous process industries	40% of Contracted Maximum Demand	90% of Contracted Demand	60% of Contracted Maximum Demand	10% of Contracted Demand	Consumption upto 80% Load Factor on the PDL	Consumption upto 50% Load Factor on the PDL
HT- II	40% of Contracted Maximum Demand	70% of Contracted Demand	60% of Contracted Maximum Demand	30% of Contracted Demand	Consumption upto 80% Load Factor on the PDL	Consumption upto 80% Load Factor on the PDL
LT - III B	40% of Contracted Maximum Demand	90% of Contracted Demand	60% of Contracted Maximum Demand	10% of Contracted Demand	Consumption upto 70% Load Factor on the PDL	Consumption upto 50% Load Factor on the PDL
LT - III A (Applicable for above 20 HP)	0 % (No load relief)	Shall not consume power except lighting	100% of Contracted Load	Shall not consume power except lighting	Consumption upto 70% Load Factor on the PDL	Shall not consume power except lighting
LT - II (c)	100%	No relief	Nil	100%	Nil	Ninety units/month per kW

Definitions of Permitted Demand Limit (PDL) and Permitted Consumption Limit (PCL) are as shown below:

HT-I Continuous Process Industries:

To avail supply under this category, the Consumers have to take prior approval from the respective CMD of the Discoms duly explaining their process.

- PDL Off peak = 60% x Contracted Maximum Demand
- PDL peak = 30% x Contracted Maximum Demand
- PCL Off peak = CMD x 60% x 90% x 1(PF) x No. of off-peak hours in the month
- PCL peak = CMD x 30% x 1(PF) x No. of peak hours in the month

Note: *Consumers under this category can also opt for 18 days supply with the following conditions:*

(a). *Permitted Demand Limit (PDL) during off-peak hours 100% of Contracted Demand for 18 days*

(b). *Permitted Demand Limit (PDL) during peak hours 30% of Contracted Demand for 18 days.*

(c). *Permitted Demand Limit (PDL) during power holiday period 10% of Contracted Demand for 12 days*

(d). *PCL Off peak = CMD x 90% x 1(PF) x No. of off-peak hours for 18 days*

(e). *PCL peak = CMD x 30% x 1(PF) x No. of peak hours for 18 days*

(f). *PCL during power holiday = CMD x10% x 50% x 1(PF) x No. of hours for 12 days.*

HT-I other than continuous process Industries:

- PDL Off peak = 60% x Contracted Maximum Demand
- PDL peak = 10% x Contracted Maximum Demand
- PCL Off peak = CMD x 60% x 80% x 1(PF) x No. of off-peak hours in the month
- PCL peak = CMD x 10% x 50% x 1(PF) x No. of peak hours in the month

Note: *Consumers under this category can also opt for 18 days supply with the following conditions:*

(a). *Permitted Demand Limit (PDL) during off-peak hours 100% of Contracted Demand.*

(b). *Permitted Demand Limit (PDL) during peak hours 10% of Contracted Demand.*

(c). *Permitted Demand Limit (PDL) during power holiday period 10% of Contracted Demand for 12 days.*

(d). *PCL Off peak= CMD x 80% x 1(PF) x No. of off-peak hours for 18 days.*

(e). *PCL peak = CMD x 10% x 50% x 1(PF) x No. of peak hours for18 days.*

(f). *PCL during power holiday period = CMD x10% x 50% x 1(PF) x No. of hours for 12 days.*

HT- II:

- PDL Off peak = 60% x Contracted Maximum Demand
- PDL peak = 30% x Contracted Maximum Demand
- PCL Off peak = CMD x 60% x 80% x 1(PF) x No. of off-peak hours in the month
- PCL peak = CMD x 30% x 80% x 1(PF) x No. of peak hours in the month

LT - III B:

- PDL Off peak = 60% x Contracted Maximum Demand
- PDL peak = 10% x Contracted Maximum Demand
- PCL Off peak = CMD x 60% x 70% x 1(PF) x No. of off-peak hours in the month
- PCL peak = CMD x 10% x 50% x 1(PF) x No. of peak hours in the month

LT - III A:

- PDL Off peak = 100% x Contracted Load (Demand)
- PDL peak = Only lighting load
- PCL = Contracted Load (Demand) x 70% x 1(PF) x No. of off-peak hours in the month

LT - II C:

- PCL = Ninety units per month per kW of contracted load.

For Seasonal Industries: Seasonal demand and off-Season demand as per the Tariff Order shall be taken into account to arrive at PDL and PCL.

The Distribution Companies shall strictly implement these Restriction and Control measures and all Consumers, for whom these measures are applicable shall co-operate with the Distribution Licensees in implementing the directions of the Commission in true spirit.

11. <u>Penal charges for non-compliance of R&C measures:</u>

The Clause 213.6 (8) and Clause 213.3 (4) (iv) of Tariff Order 2012-13, specifies the penal charges to be paid by a consumer for exceeding the contracted demand. In view of the shortage scenario and in order to maintain grid discipline and equitable distribution of available power among different consumer categories, the following penal charges are approved in place of clause 213.6(8) and Clause 213.3(4) of Tariff Order 2012-13.

(a) Demand Charges on excess over Permitted Demand Limit (PDL) shall be billed at the rate of 3 times of normal tariff.

(b) For HT-II Consumers, Energy charges on excess over PCL during off-peak period shall be billed at the rate of 2 times of normal tariff. Energy charges on excess over PCL during peak period shall be billed at the rate of 3 times of normal tariff consumed during that particular peak time period i.e., 18:00 Hrs. to 22:00 Hrs. of that day.

(c) For consumers other than HT II consumers, energy charges on excess over PCL during Off-peak period shall be billed at the rate of 3 times of normal tariff. Consumers opting for 18 days power supply with 100% CMD during off -peak shall pay 3 times of normal tariff for exceeding PCL during power holiday period of 12 days.

(d) For consumers other than HT II consumers, energy charges on excess over PCL during peak period shall be billed at the rate of 5 times of normal tariff consumed during that particular peak time period, i.e., 18:00 Hrs. to 22:00 Hrs. of that day.

12. Specific conditions/provisions:

(a) The Billing Demand shall be the maximum recorded demand during the month and clause 213.6.(6) of Tariff Order shall not apply during these R & C measures.

(b) No deemed consumption charges shall be billed during Restriction and control period for HT I b category.

(c) The Licensees shall permit non-discriminatory open access as per Regulation No. 2 of 2005, subject to technical feasibility. The Distribution Licensees shall not levy cross subsidy surcharge and additional surcharge till these restrictions are removed.

(d) The Distribution Companies shall permit de-ration of contracted demand with in one month from the date of receipt of application during these restriction and control period without any minimum period of two years contractual obligation mentioned in Clause 5.9.3 of GTCS.

(e) The distribution companies shall not allow drawal of power by welding sets during evening peak hours i.e., 18:00 Hrs to 22:00 Hrs and shall disconnect the power supply whenever this restriction is contravened.

(f) The distribution companies shall not allow power supply to Advertising Hoardings and shall not allow decorative lighting except for festivals organized at public places of worship.

13. **List of consumer categories excluded from Restriction and control measures:**

(a) Andhra Pradesh Secretariat and High Court.

(b) Assembly and council.

(c) All state Government and Central Government offices and colleges.

(d) News paper printing and Electronic media.

(e) Singareni Collieries loads, Ports, Telegraphs, A.I.R and Doordarshan.

(f) Dairies and Milk Chilling plants, Feed mixing plants, Cold storage plants.

(g) All Universities.

(h) Power supply to Irrigation construction projects.

(i) Naval Dock Yard, Visakhapatnam.

(j) Nuclear Fuel Complex, Hyderabad.

(k) Heavy water plant, Manuguru.

(l) Oil exploration Service connections and Oil refineries.

(m) HT - 3 Air ports and Aviation related services.

(n) Railway Traction and stations.

(o) HT - 7 RESCOs.

(p) Hospitals.

(q) Police stations and Fire stations.

(r) Defense establishments.

(s) Street Lights.

(t) Drinking Water Supply Schemes.

(u) Water Works, Water pumping stations and Sewerage pumping stations.

(v) Domestic Services, Townships and Residential Colonies.

(w) Lift irrigation and Agricultural services.

The restrictions now imposed would be reviewed by the Commission from time to time based on the demand and supply position. These orders shall come into force w.e.f. 12-09-2012 and will be in force till 31st March, 2013.

This order is signed by the Commission on this 14th day of September 2012

(BY ORDER OF THE COMMISSION)

// CERTIFIED COPY //

SEAL OF A.P. ELECTRICITY REGULATORY COMMISSION HYDERABAD

SECRETARY

SECRETARY
A.P. Electricity Regulatory Commission
Hyderabad.

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad - 500 004

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Revised Order on Restriction and Control(R&C) measures - Approval granted.

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Proceedings No. APERC/Secy/ 16 /2012-13 Dated: 01-11-2012

Read the following:

1. CGM (Comml)/SE(C)/ DE(C) /ADE(C)/D.No. 2198/12 Dated 11-10-2012.
2. Proceedings No. APERC/Secy/14/2012-13 Dated 14-09-2012
3. CGM(Comml)/SE(C)/ DE(C) /ADE(C)/D.No. 1831/12 Dated 11-09-2012.
4. Proceedings No. APERC/Secy/ 13 /2012-13 Dated 07-09-2012
5. CGM(Comml)/SE(C)/ DE(C) /ADE(C)/D.No. 1624/12 Dated 29-08-2012
6. Tariff Order FY 2012-13
7. Secy/01/2006 Dated 06-01-2006.

***

The Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL), on behalf of all the four Distribution companies, namely APCPDCL, APEPDCL, APNPDCL, APSPDCL, submitted a representation vide reference (5) cited, seeking permission to impose restriction on power supply under section 23 of Electricity Act, 2003 and Clause 16 of General Terms and Conditions of Supply. The brief details of the proposals are furnished below:

2. The Distribution Licensees stated that the state will be in an energy deficit situation during the year 2012-13 due to the following reasons:

- **Load Growth:** Presently power supply to APDISCOMs is about 202 MU / day as against a demand of 276 MU / day. There is a shortfall of 74 MU / day. This is due to load growth by about 10% when compared to previous year i.e., 2011. The demand met during the month of August 2012 is 9929 MW due to prevailing R&C measures as against demand of 11377 MW met during the month of August 2011 which is due to shortfall in generation.
- **Outages of Thermal Generating Plants:** Continuous dry spell in the State and increasing demand combined with more forced outages of thermal units due to

technical problems has resulted in average shortfall of 49 MU / day during the month of August 2012.

- **Non-availability of Hydel Capacity:** Due to delay in monsoon and insufficient inflows to hydel reservoirs, the hydel stations are not in a position to operate at full capacity and thus the shortfall in hydel generation is about 30 MU / day.

- **Gas shortage** - Due to short supply of gas, around 2038 MW of power availability has been affected adversely.

3. Major States in the country are facing energy deficit and the inter-regional transmission corridor constraints limit the extent of power procurement by APDISCOMs from market. The Licensees projected that, there would be high quantum of energy deficit to the extent of 21 MU to 79 MU during the period between September, 2012 and March, 2013 and further stated that the APDISCOMs have no other option but to impose restriction on usage of power.

4.(a) The Commission examined the Licensees' proposal in detail and considering the recent Grid disturbance in Northern Region on 30th July 2012 and in Northern, Eastern & North-Eastern Region on 31st July 2012, the Commission came to the view that it is essential to permit the restriction on usage of power by consumers in order to protect the Grid from such grid failures and to maintain discipline among various consumers.

(b) Accordingly, the Commission issued order cited in reference (4) imposing certain Restriction and Control measures effective from 12-09-2012.

(c) The DISCOMs submitted a revised proposal vide letter cited in reference (3), in pursuance of representations received by them from various consumer groups and after discussions with all the four DISCOMs in the tele-conference held on 10-09-2012. Further the Discoms stated that, as per the order, consumers can consume power only to the extent of 36.6%, which is very low and requested to revise the existing load factor from 0.7 to unity.

(d) The Commission has examined the changes suggested by APDISCOMs and also taken note of certain representations made orally or in writing by certain Consumer Associations to the Commission and issued order dated 14-09-2012, cited in reference (2).

(e) M/s APCPDCL, on behalf of all four DISCOMs in the state submitted a revised Restriction and Control(R&C) measures proposal vide letter cited in reference (1). The proposal states that the gap between demand and supply has been widened, as mentioned in the table below, as expected availability in hydel generation did not materialize.

Month	Demand (MU/day)	Availability (MU/day)	Deficit (MU/day)
Oct'12	289.87	218.07	71.80
Nov'12	271.84	221.26	50.58
Dec'12	268.49	229.87	38.62
Jan '13	262.55	236.70	25.85
Feb '13	289.44	238.52	50.92
Mar '13	327.09	242.10	84.99
Apr'13	308.20	234.00	74.20
May'13	273.24	229.94	43.30

5. In the proposal, the Discoms proposed to allow Permitted Demand Limit upto 50% of CMD and Permitted Consumption Limit of energy up to 70% load factor for HT -1 Industry General. With the above energy and demand limits, the effective load factor would be less than 34%, including peak restrictions. With 50% demand restriction, it is very difficult to consume permitted energy even to the extent of 34% load factor and the industry may not sustain.

6. Considering the above and the consumption levels of various categories of consumers, the Commission has decided to impose the following Restriction and Control (R&C) measures in the state.

ORDER:

7. In exercise of the powers conferred by Section 23 read with clause (k) of Sub-section (1) of Section 86 of the Electricity Act, 2003 (36 of 2003) and all powers, enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby imposes the following Restrictions & Control (R&C) Measures with effect from, 00:00 hrs on 07-11-2012, and will be operative till 31-03-2013. The order dated 14-09-2012 cited in reference 2, shall stand repealed w.e.f 00:00 hrs on 07-11-2012.

8. For the purpose of this order, the off-peak period means 00:00 Hrs to 18:00 Hrs and 22:00 to 24:00 Hrs. Peak period means 18:00 to 22:00 Hrs.

9. No consumer shall exceed the Permitted Demand Limit (PDL) prescribed hereunder for the respective category during peak hours or off-peak hours.

10. No consumer shall exceed Permitted Consumption Limit (PCL) prescribed hereunder for the respective category during peak hours or off-peak hours.

11. This Restriction and Control (R&C) measures order is applicable to the following categories of consumers.

- (a) HT -I and HT-II Consumers.
- (b) LT - Industrial consumers including industries in RESCOs.
- (c) Advertising hoardings.

For Rural Electric Cooperative Societies (RESCOs), no demand and energy restrictions are imposed. However, RESCOs shall implement R & C measures to consumer categories as approved in this order.

12. Category wise Restrictions on Contracted Demand and Energy consumption are mentioned in para 13 to 16 below.

13. **<u>HT-I (B) Ferro Alloy Industry:</u>**

Consumers who fall under this category will have the option to indicate their choice either for option 1 or for option 2 mentioned below. The DISCOMs shall regulate supply to consumers under this category as per the option indicated by the consumer.

<u>Option-1:</u>

Power supply throughout the month with 60% contracted demand during off peak hours and 30% contracted demand during peak hours.

<u>Permitted Demand Limits (PDL) under option - 1:</u>

(a) PDL during Off peak	= 60% x Contracted Maximum Demand
(b) PDL during peak	= 30% x Contracted Maximum Demand

Permitted Consumption Limit (PCL) under option - 1:

(a) PCL during Off peak

= CMD x 60% x 90% x 1(PF) x No. of off-peak hours in the month

(b) PCL during peak

= CMD x 30% x 1(PF) x No. of peak hours in the month

Option-2:

18 days power supply at a stretch and power holiday of 12 days. During 18 days power supply, 100% contracted demand during off peak hours and 30% contracted demand during peak hours is permitted. During power holiday period of 12 days, 10% of contracted demand is permitted for maintenance.

Permitted Demand Limits (PDL) under Option - 2:

(a).	PDL during off-peak hours	=	100% of Contracted Demand for 18 days
(b).	PDL during peak hours	=	30% of Contracted Demand for 18 days.
(c).	PDL during power holiday period	=	10% of Contracted Demand for 12 days

Permitted Consumption Limit (PCL) under option -2:

(a). PCL during Off peak = CMD x 90% x 1(PF) x No. of off-peak hours for 18 days

(b). PCL during peak = CMD x 30% x 1(PF) x No. of peak hours for 18 days

(c). PCL during power holiday = CMD x10% x 50% x 1(PF) x No. of hours for 12 days.

14. HT-I continuous process industries:

To avail supply under this category, the Consumers have to take prior approval from the respective CMD of the DISCOMs duly furnishing the details of their manufacturing process and end product.

Consumers who fall under this category will also give their option in writing either for option 1 or for option 2 mentioned below to the concerned SE/Operation with a copy to the CMD /DISCOM

The DISCOMs shall regulate supply to consumers under this category as per the option indicated by the consumer.

The voltage wise Load Factor shall be as mentioned in the table-1 to arrive at **Permitted Consumption Limit (PCL).**

Table -1

Sl. No.	Supply Voltage	LF for PCL	
		Off-Peak	Peak
1	EHT	75%	100%
2	33 kV	70%	100%
3	11 kV	65%	100%

Option-1:

Power supply throughout the month with 60% contracted demand during off peak hours and 20% contracted demand during peak hours.

Permitted Demand Limits (PDL) under option - 1:

(a) PDL during Off peak = 60% x Contracted Maximum Demand

(b) PDL during peak = 20% x Contracted Maximum Demand

Permitted Consumption Limit (PCL) under option-1:

(a). PCL during Off peak

= CMD x 60% x #LF% x 1(PF) x No. of off-peak hours in the month

 # The LF shall be as mentioned in the table-1 based on the supply voltage.

(b). PCL during peak = CMD x 20% x 1(PF) x No. of peak hours in the month

Option-2:

18 days power supply at a stretch and power holiday of 12 days. During 18 days power supply, 100% contracted demand during off peak hours and 20% contracted demand during peak hours is permitted. During power holiday period of 12 days, 10% of contracted is permitted for maintenance.

Permitted Demand Limits (PDL) under option - 2:

(a) PDL during Off peak = 100% x Contracted Maximum Demand for 18 days

(b) PDL during peak = 20% x Contracted Maximum Demand for 18 days

(c) PDL during power holiday period= 10% of Contracted Demand for 12 days

Permitted Consumption Limit (PCL) under option-2:

(a). PCL during Off peak

= CMD x #LF% x 1(PF) x No. of off-peak hours for 18 days.

 # The LF shall be as mentioned in the table-1 based on the supply voltage.

(b). PCL during peak = CMD x 20% x 1(PF) x No. of peak hours for 18 days

(c). PCL during power holiday = CMD x 10% x 1(PF) x No. of hours for 12 days.

15. HT-1 Other Industries:

Consumers under this category shall give their option in writing either for option-1, or for option -2, or for option-3 mentioned below to the concerned SE/operation with a copy to the concerned CMD/DISCOM.

The DISCOMs shall regulate supply to consumers under this category as per the option indicated by the consumer.

The voltage wise Load Factor shall be as mentioned in the table-2 to arrive at **Permitted Consumption Limit (PCL).**

Table-2

Sl. No.	Supply Voltage	LF for PCL	
		Off-Peak	Peak
1	EHT	70%	100%
2	33 kV	65%	100%
3	11 kV	60%	100%

Option 1:

Power supply throughout the month with 60% contracted demand during off peak hours and 10% contracted demand during peak hours.

Permitted Demand Limits (PDL) under option - 1:

(a) PDL during Off peak = 60% x Contracted Maximum Demand for 30 days

(b) PDL during peak = 10% x Contracted Maximum Demand for 30 days

Permitted Consumption Limit (PCL) under option-1:

(a). PCL during Off peak

= CMD x 60% x #LF% x 1(PF) x No. of off-peak hours in the month

 # The LF shall be as mentioned in the table-2 based on the supply voltage.

(b). PCL during peak = CMD x 10% x 1(PF) x No. of peak hours in the month

Option 2:

18 days power supply at a stretch and power holiday of 12 days. During 18 days power supply, 100% contracted demand during off peak hours and 10% contracted demand during

peak hours is permitted. During power holiday period of 12 days, 10% of contracted is permitted for maintenance.

Option 3:

Staggered power supply for 18 days, like four days power supply in a week with 100% contracted demand during off peak hours and 10% contracted demand during peak hours. During power holiday period of 12 days, 10% of contracted demand is permitted for maintenance.

Permitted Demand Limits (PDL) under option - 2 or option - 3:

(a) PDL during Off peak = 100% x Contracted Maximum Demand for 18 days

(b) PDL during peak = 10% x Contracted Maximum Demand for 18 days

(c) PDL during power holiday period= 10% of Contracted Demand for 12 days

Permitted Consumption Limit (PCL) under option-2 or option -3:

(a). PCL during Off peak

= CMD x #LF% x 1(PF) x No. of off-peak hours for 18 days.

 # The LF shall be as mentioned in the table-2 based on the supply voltage.

(b). PCL during peak = CMD x 10% x 1(PF) x No. of peak hours for 18 days

(c). PCL during power holiday = CMD x10% x 1(PF) x No. of hours for 12 days.

16. HT-II, LT-III B, LT-III A and LT-II C

HT- II:

- PDL Off peak = 50% x Contracted Maximum Demand
- PDL peak = 40% x Contracted Maximum Demand
- PCL Off peak = CMD x 50% x 80% x 1(PF) x No. of off-peak hours in the month
- PCL peak = CMD x 40% x 80% x 1(PF) x No. of peak hours in the month

LT - III B:

- PDL Off peak = 60% x Contracted Maximum Demand
- PDL peak = 10% x Contracted Maximum Demand
- PCL Off peak = CMD x 60% x 70% x 1(PF) x No. of off-peak hours in the month
- PCL peak = CMD x 10% x 1(PF) x No. of peak hours in the month

LT - III A:

- PDL Off peak = 100% x Contracted Load (Demand)
- PDL peak = Only lighting load
- PCL = Contracted Load (Demand) x 70% x 1(PF) x No. of off-peak hours in the month

LT - II C:

- PCL = Ninety units per month per kW of contracted load.

For Seasonal Industries: Seasonal demand and off-Season demand as per the Tariff Order shall be taken into account to arrive at PDL and PCL.

17. The Distribution Companies shall strictly implement these Restriction and Control (R&C) measures and all Consumers, for whom these measures are applicable shall co-operate with the Distribution Licensees in implementing the directions of the Commission. For any non compliance by a consumer, the Licensee shall take action as per the control measures mentioned in para 18.

The Licensees are directed to strictly implement these Restrictions and Control measures in true spirit. Any non-compliance of the order / directions by any Licensee, will attract punishment under section 142 of the Electricity Act, 2003.

18. Control measures:

(a) No consumer shall exceed the PDL during peak or off peak period. If any consumer exceeds the PDL by a quantum less than or equal to 5% of PDL, the Distribution Licensee shall issue a warning notice for first violation in a month. For any subsequent violation, the service will be disconnected with out notice for 24 hours.

If any consumer exceeds the PDL by a quantum exceeding 5% of PDL, the Licensee shall disconnect the service connection for the following time period immediately after detection of violation:

i) 48 hours disconnection for first violation.
ii) 7 days disconnection for second time violation.
iii) 15 days disconnection for third violation.
iv) 1 month disconnection for fourth violation.

(b) Penal charges for non-compliance of R&C measures:

The Clause 213.6 (8) and Clause 213.3 (4) (iv) of Tariff Order 2012-13, specifies the penal charges to be paid by a consumer for exceeding the contracted demand. In view of the shortage scenario and in order to maintain grid discipline and equitable distribution of available power among different consumer categories, the following penal charges are approved in place of clause 213.6(8) and Clause 213.3(4) of Tariff Order 2012-13 in addition to the measures mentioned in para (a) above.

I. Demand Charges on excess over Permitted Demand Limit (PDL) shall be billed at the rate of 5 times of normal tariff, if the Demand consumed is less than or equal to 5% of PDL in a month.

II. Demand Charges on excess over Permitted Demand Limit (PDL) shall be billed separately for peak and off-peak at the rate of 6 times of normal tariff for exceeding the PDL beyond 5% of PDL.

III. For HT-II Consumers, energy charges on excess over PCL during off-peak period shall be billed at the rate of 5 times of normal tariff. Energy charges on excess over PCL during peak period shall be billed at the rate of 6 times of normal tariff consumed during that particular peak time period i.e., 18:00 Hrs. to 22:00 Hrs. of that day.

IV. For HT-1 consumers, energy charges on excess over PCL during Off-peak period shall be billed at the rate of 6 times of normal tariff.

V. Consumers opting for 18 days power supply, shall be billed at the rate of 6 times of normal tariff for exceeding PCL during off-peak hours of power holiday period.

VI. For HT-1 consumers, energy charges on excess over PCL during peak period shall be billed at the rate of 7 times of normal tariff consumed during that particular peak time period, i.e., 18:00 Hrs. to 22:00 Hrs. of that day.

19. <u>Specific conditions/provisions:</u>

(a) The Billing Demand shall be the maximum recorded demand during the month and clause 213.6.(6) of Tariff Order shall not apply during these R & C measures. For consumers who opt for 18 days power supply, the demand charges shall be billed on pro-rata rate basis i.e., at the rate of 18/30 of the prescribed rate.

(b) No deemed consumption charges shall be billed during Restriction and control period for HT I b category.

(c) The Distribution Licensees shall not collect Additional Consumption deposit during the period covered by these Restrictions and Control (R&C) measures.

(d) The Distribution Licensees shall not release new additional loads for the existing services till these Restrictions are removed. However, the de-rated demand can be restored to original capacity on a request from a consumer.

(e) The Licensees shall permit non-discriminatory open access to all HT consumers, subject to technical feasibility, and minimum procurement quantum of 100 kW during R&C period shall be allowed without reference to the clause 8.1 of Regulation No. 2 of 2005. The Distribution Licensees shall not levy cross subsidy surcharge and additional surcharge till these Restrictions are removed.

(f) Consumers having Generating plants running in parallel with the Grid are exempted from Permitted Demand Limit (PDL) to the extent of start up power operations.

(g) The Distribution Companies shall permit de-ration of contracted demand with in one month from the date of receipt of application during these Restriction and Control period without any minimum period of two years contractual obligation mentioned in Clause 5.9.3 of GTCS.

(h) The distribution companies shall not allow drawal of power by welding sets during evening peak hours i.e., 18:00 Hrs to 22:00 Hrs and shall disconnect the power supply whenever this restriction is contravened.

(i) The distribution companies shall not allow decorative lighting. The DISCOMs shall give wide publicity in news papers and educate consumers about banning of decorative lighting. The DISCOMs shall disconnect the power supply without any notice for non-compliance.

20. **Working Instructions:**

(a) The Divisional Engineer (DE) and Assistant Divisional Engineer (ADE) operation shall be made responsible for effective implementation of these Restriction and Control measures. The Divisional Engineer and Assistant Divisional Engineer shall arrange reading of all HT services in their respective jurisdiction once in a week and get the readings. The readings along with inspection report mentioning incriminating points shall be submitted to the corporate office at the end of every week.

(b) Apart from the above, the Discoms shall form special teams consisting of DPE, MRT and Operation wings. Each team will have a minimum of three officers headed by not below the rank of Divisional Engineer cadre and shall inspect 3 to

4 services every day and all HT services will be inspected weekly once. The inspecting team will submit a comprehensive report to the corporate office every day.

(c) The inspecting team shall act as per para 18(a), for non-compliance of this order immediately.

(d) The DISCOMs shall submit a comprehensive report to the Commission once in 15 days mentioning the details like, name of the service, CMD, PDL and PCL limits, Violations detected, number of services inspected, number of services disconnected etc. At the end of billing month, the Discoms shall submit a report to the Commission mentioning the service wise details of penal charges levied and collected.

(e) The DISCOMs shall issue detailed working instructions to all the concerned officers and a copy shall be submitted to the Commission.

21. <u>List of consumer categories exempted from Restriction and control measures:</u>

(a) Andhra Pradesh Legislative Assembly / Andhra Pradesh Legislative Council.
(b) Andhra Pradesh High Court.
(c) Andhra Pradesh Secretariat.
(d) News paper printing and Electronic media.
(e) Singareni Collieries, Ports, Telegraphs, A.I.R and Doordarshan.
(f) Dairies and Milk Chilling plants, Feed mixing plants, Cold storage plants.
(g) Ice cream manufacturing industries.
(h) Central Government R & D units.
(i) Power supply to Irrigation construction projects.
(j) Naval Dock Yard, Visakhapatnam.
(k) Nuclear Fuel Complex, Hyderabad.
(l) Heavy water plant, Manuguru.
(m) Oil exploration Service connections and Oil refineries.
(n) Railway traction, Railway workshops, good sheds and Railway stations.
(o) Hospitals.
(p) Police Stations and Fire Stations.
(q) Defence establishments.
(r) Street Lights.
(s) Drinking Water Supply Schemes.
(t) Water Works, Water pumping stations and Sewerage pumping stations.
(u) Religious places.

(v) Uranium Corporation of India.

(w) Medical oxygen manufacturing plants

The restrictions now imposed would be reviewed by the Commission from time to time based on the demand and supply position. These orders shall come into force w.e.f., 00:00 hrs on 07-11-2012 and will be in force till 31st March, 2013.

This order is signed by the Commission on this 1st day of November, 2012.

(BY ORDER OF THE COMMISSION)

SECRETARY

Secretary
A.P. Electricity Regulatory Comi
Hyderabad-500 004.

SEAL OF A.P. ELECTRICITY REGULATORY COMMISSION • HYDERABAD •

The Federation of Telangana Chambers of Commerce and Industry
(Formerly known as FTAPCCI)
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Empowering Industry, Commerce & Trade
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Meela Jayadev President | **Suresh Kumar Singhal** Sr Vice President | **R.Ravi Kumar** Vice President

25/05/2024

The Secretary,
TSERC
Singareni Bhavan,
Red Hills, Hyderabad

Dear Sir,

Sub: **Fresh determination of Cross Subsidy Surcharge to be levied for the FYs 2005-06 to 2014-15 in respect of the open access consumers by TSDISCOMs – Request for Extension of Last Date of Filing Objections to 15th June 2024 - Reg**

Referring to the subject, we submit that the CSS calculations for 10 years (2005-06 to 2014-15) involves lot of work as the consumers need to collect the data of payments for each year for the transactions made almost 20 years back and the calculations there of. It is very difficult to get the 20 years back dated data and needs time to verify the files and the details.

It also involves the study of directions given by Hon'ble High Court in its common Order dated 12-02-2020, and other Orders such as TSERC CSS Order 6/4/2018; APTEL Order 05/07/2007, Tariff Orders etc.

In this context, we request the Hon'ble Commission to extend the last date for filing of objections to ***June 15th 2024 from 30th May 2024*** to allow the consumers sufficient time to collect and analyse the data.

Awaiting for your positive consideration

Thanks & Regards,

T. Sujatha,
Sr. Director

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