

# **Retail Supply Tariffs 2022-23**



**COMMON ORDER**  
**on**  
**Tariff for Retail Sale of Electricity**  
**during FY2022-23**  
**&**  
**True-up for Retail Sale of Electricity for**  
**FY2019-20**  
**True-up for Retail Sale of Electricity for**  
**FY2020-21**  
**True-up for Distribution Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**  
**True-up for Transmission Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**

***VOLUME - II***

**30<sup>th</sup> March, 2022**

**Andhra Pradesh**  
**Electricity Regulatory Commission**  
4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004





**Andhra Pradesh Electricity Regulatory Commission**  
4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul,  
Hyderabad 500 004

**COMMON ORDER**  
**on**  
**Tariff for Retail Sale of Electricity**  
**during FY2022-23**  
**&**  
**True-up for Retail Sale of Electricity for FY2019-20**  
**True-up for Retail Sale of Electricity for FY2020-21**  
**True-up for Distribution Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**  
**True-up for Transmission Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**

*In the areas of Supply of*

*Southern Power Distribution Company of A.P. Ltd. (APSPDCL)*  
*Eastern Power Distribution Company of A.P. Ltd. (APEPDCL)*  
*A P Central Power Distribution Corporation Ltd. (APCPDCL)*

**30<sup>th</sup> March, 2022**





## **VOLUME – II**

### **CHAPTERS**

<b>CHAPTER</b>	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
CHAPTER - XIII	POWER PURCHASE COST VARIATIONS FOR FY2019-20 .....	371
CHAPTER - XIV	POWER PURCHASE COST VARIATIONS FOR FY2020-21.....	395
CHAPTER- XV	DETERMINATION OF THE TRUE-UP FOR DISTRIBUTION BUSINESS FOR 3 <sup>RD</sup> CONTROL PERIOD (FY2014-15 TO FY 2018-19) .....	409
CHAPTER- XVI	TRUE-UP OF TRANSMISSION BUSINESS FOR 3 <sup>RD</sup> CONTROL PERIOD (FY2014-15 TO FY2018-19) .....	475

## LIST OF TABLES

TABLE	DESCRIPTION	PAGE NO.
TABLE1:	VARIANCE OF ACTUAL SALES AND ACTUAL POWER PURCHASE QUANTITY VIS-A-VIS APPROVALS FOR FY2019-20 .....	372
TABLE 2:	VARIATIONS IN DESPATCH OF ENERGY AND POWER PURCHASE COSTS .....	373
TABLE 3:	VARIATIONS IN DESPATCH OF ENERGY AND POWER PURCHASE COSTS (APPROVED VS ACTUAL)–APSPDCL .....	373
TABLE 4:	SOURCE WISE VARIATIONS IN POWER PURCHASE COSTS (CLAIM) - APEPDCL .....	374
TABLE 5:	SOURCE WISE VARIATIONS IN POWER PURCHASE COSTS (CLAIM) - APSPDCL .....	374
TABLE 6 :	TOTAL TRUE-UP FOR FY2019-20.....	375
TABLE 7:	BACKING DOWN ENERGY FURNISHED BY THE DISCOMS .....	383
TABLE 8:	SALES VARIATIONS FOR FY2019-20 .....	389
TABLE 9 :	POWER PURCHASE CONSIDERED BY THE COMMISSION FOR FY2019-20 .....	390
TABLE 10:	DEVIATIONS IN ENERGY DESPATCHES FOR FY2019-20 .....	390
TABLE11:	TRUE-UP AMOUNTS APPROVED BY THE COMMISSION FOR FY2019-20 .....	394
TABLE 12:	SUBSIDY TO BE RETURNED TO THE GOAP FOR FY2019-20 .....	394
TABLE 13 :	TRUE-UP CLAIMS OF APSPDCL FOR FY2020-21 .....	395
TABLE 14 :	TRUE-UP CLAIMS OF APCPDCL FOR FY2020-21 .....	396
TABLE 15 :	TRUE-UP CLAIMS OF APEPDCL FOR FY2020-21 .....	396
TABLE 16:	TRUE-UP ANALYSIS FOR FY2020-21 (THREE DISCOMS)FY 2020-21 TRUE-UP ANALYSIS.....	402

<b>TABLE 17:</b>	<b>POWER PURCHASE REQUIREMENT FOR FY2020-21 .....</b>	<b>404</b>
<b>TABLE18 :</b>	<b>SUMMARY OF ENERGY DESPATCHES AND POWER PURCHASE COST FOR FY2021-22 (THREE DISCOMS) .....</b>	<b>405</b>
<b>TABLE 19:</b>	<b>2019-20 ADJUSTMENTS IN FY2020-21 - APCPDCL .....</b>	<b>406</b>
<b>TABLE 20 :</b>	<b>POWER PURCHASE COST TRUE-DOWN FOR FY2020-21 .....</b>	<b>407</b>
<b>TABLE 21:</b>	<b>SUBSIDY TO BE RETURNED TO THE GOAP FOR FY2020-21 .</b>	<b>408</b>
<b>TABLE 22:</b>	<b>APSPDCL - AGGREGATE LOSS/GAIN(RS. CR.) .....</b>	<b>412</b>
<b>TABLE 23:</b>	<b>APSPDCL - TOTAL CLAIM WITH CARRYING COST (RS. CR.) ..</b>	<b>412</b>
<b>TABLE 24:</b>	<b>APEPDCL - AGGREGATE LOSS/ GAIN (RS. CR.) .....</b>	<b>413</b>
<b>TABLE 25:</b>	<b>APEPDCL - TOTAL CLAIM WITH CARRYING COST (RS. CR.) .....</b>	<b>414</b>
<b>TABLE 26:</b>	<b>APSPDCL - O&amp;M COSTS (RS.CR.) .....</b>	<b>439</b>
<b>TABLE 27:</b>	<b>APEPDCL – O&amp;M COSTS (RS. CR.) .....</b>	<b>439</b>
<b>TABLE 28:</b>	<b>APSPDCL - A&amp;G EXPENSES SHOWN UNDER “OTHER EXPENSES” (RS. CR.) .....</b>	<b>440</b>
<b>TABLE 29:</b>	<b>APSPDCL - GROSS EMPLOYEES AND A&amp;G EXPENSES (RS. CR.) .....</b>	<b>440</b>
<b>TABLE 30:</b>	<b>APSPDCL - EMPLOYEES AND A&amp;G EXPENSES (RS. CR.) .....</b>	<b>443</b>
<b>TABLE 31:</b>	<b>APEPDCL - EMPLOYEES AND A&amp;G EXPENSES (RS. CR.) .....</b>	<b>443</b>
<b>TABLE 32:</b>	<b>APSPDCL: EMPLOYEES’ EXPENSES DETAILS .....</b>	<b>444</b>
<b>TABLE 33:</b>	<b>APEPDCL: EMPLOYEES’ EXPENSES DETAILS .....</b>	<b>444</b>
<b>TABLE 34:</b>	<b>APSPDCL: PENSION PROVISION OF APSEB ORIGIN EMPLOYEES (RS.CR.) .....</b>	<b>445</b>
<b>TABLE 35:</b>	<b>APEPDCL: PENSION PROVISION OF APSEB ORIGIN EMPLOYEES (RS.CR.) .....</b>	<b>445</b>

<b>TABLE 36:</b>	<b>APEPDCL: EARNED LEAVE ENCASHMENT PROVISIONS (RS.CR.).....</b>	<b>446</b>
<b>TABLE 37:</b>	<b>APSPDCL - DISALLOWED EXPENDITURE (A&amp;G) (RS. CR.) ....</b>	<b>446</b>
<b>TABLE 38:</b>	<b>APSPDCL - R&amp;M EXPENSES (RS. CR.) .....</b>	<b>449</b>
<b>TABLE 39:</b>	<b>APEPDCL - R&amp;M EXPENSES (RS. CR.) .....</b>	<b>449</b>
<b>TABLE 40:</b>	<b>APSPDCL - R&amp;M EXPENSES AS PER NORMS (CR.).....</b>	<b>450</b>
<b>TABLE 41:</b>	<b>APEPDCL - R&amp;M EXPENSES AS PER NORMS (RS.CR.) .....</b>	<b>450</b>
<b>TABLE 42:</b>	<b>APSPDCL - DISALLOWED EXPENDITURE (R&amp;M) (RS.CR.) .....</b>	<b>451</b>
<b>TABLE 43:</b>	<b>APSPDCL - O&amp;M EXPENSES APPROVED (RS. CR.).....</b>	<b>452</b>
<b>TABLE 44:</b>	<b>APEPDCL - O&amp;M EXPENSES APPROVED (RS. CR.).....</b>	<b>453</b>
<b>TABLE 45:</b>	<b>APSPDCL - RETURN ON CAPITAL EMPLOYED (ROCE) (RS. CR.) .....</b>	<b>453</b>
<b>TABLE 46:</b>	<b>APEPDCL - RETURN ON CAPITAL EMPLOYED (ROCE) (RS. CR.).....</b>	<b>454</b>
<b>TABLE 47:</b>	<b>APSPDCL - ROCE COMPUTED BY THE COMMISSION (RS. CR.) .....</b>	<b>455</b>
<b>TABLE 48:</b>	<b>APEPDCL - ROCE COMPUTED BY THE COMMISSION (RS. CR.) .....</b>	<b>455</b>
<b>TABLE 49:</b>	<b>APSPDCL - DEPRECIATION (RS. CR.).....</b>	<b>456</b>
<b>TABLE 50:</b>	<b>APEPDCL - DEPRECIATION (RS. CR.).....</b>	<b>457</b>
<b>TABLE 51:</b>	<b>APSPDCL - TAXES ON INCOME (RS. CR.).....</b>	<b>457</b>
<b>TABLE 52:</b>	<b>APEPDCL - TAXES ON INCOME (RS. CR.).....</b>	<b>458</b>
<b>TABLE 53:</b>	<b>APSPDCL - SPECIAL APPN. FOR SAFETY MEASURES (RS. CR.) .....</b>	<b>459</b>

<b>TABLE 54:</b>	<b>APEPDCL - SPECIAL APPN. FOR SAFETY MEASURES (RS. CR.) .....</b>	<b>459</b>
<b>TABLE 55:</b>	<b>APSPDCL - OTHER EXPENDITURE (RS. CR.).....</b>	<b>460</b>
<b>TABLE 56:</b>	<b>APEPDCL - OTHER EXPENDITURE (RS. CR.) .....</b>	<b>461</b>
<b>TABLE 57:</b>	<b>APEPDCL - OTHER EXPENDITURE - EXCESS OVER APPROVAL (RS.CR.).....</b>	<b>462</b>
<b>TABLE 58:</b>	<b>APSPDCL - NON-TARIFF INCOME (RS. CR.).....</b>	<b>462</b>
<b>TABLE 59:</b>	<b>APEPDCL - NON-TARIFF INCOME (RS. CR.) .....</b>	<b>463</b>
<b>TABLE 60:</b>	<b>APSPDCL - NON-TARIFF INCOME (RS. CR.).....</b>	<b>464</b>
<b>TABLE 61:</b>	<b>APSPDCL: THE AGGREGATE LOSS FOR THE 3RD CONTROL PERIOD (RS. CR.).....</b>	<b>465</b>
<b>TABLE 62:</b>	<b>APEPDCL: THE AGGREGATE LOSS FOR THE 3RD CONTROL PERIOD (RS.CR.).....</b>	<b>466</b>
<b>TABLE 63:</b>	<b>ACTUAL FINANCIAL PERFORMANCE OF APTRANSCO DURING 3RD CP .....</b>	<b>479</b>
<b>TABLE 64:</b>	<b>CREDIT AMOUNTS (CR.) PASSED ON TO THE DISCOMS DURING FY2016-17 &amp; FY2017-18.....</b>	<b>479</b>
<b>TABLE 65:</b>	<b>ITEM WISE DEVIATIONS (APPROVED VS ACTUALS) OF ARR DURING THE 3RD CONTROL PERIOD .....</b>	<b>480</b>
<b>TABLE 66:</b>	<b>THE COMPARATIVE ANALYSIS ON GROSS O&amp;M COSTS FOR 3RD CP (CR.).....</b>	<b>489</b>
<b>TABLE 67:</b>	<b>BREAK UP OF ACTUAL GROSS O&amp;M EXPENDITURE FOR 3RD CONTROL PERIOD .....</b>	<b>490</b>
<b>TABLE 68:</b>	<b>PENSION LIABILITIES OF THE EMPLOYEES -3RD CONTROL PERIOD .....</b>	<b>490</b>
<b>TABLE 69:</b>	<b>NORMS FOR O&amp;M EXPENDITURE AS PER MYT TRANSMISSION ORDER FOR 3RD CP .....</b>	<b>491</b>
<b>TABLE 70:</b>	<b>COMPUTATION OF O&amp;M COSTS AS PER NORMS .....</b>	<b>491</b>

<b>TABLE 71:</b>	<b>COMPARATIVE ANALYSIS OF THE ACTUAL DEPRECIATION DURING THE 3RD CP (RS. CRS.) .....</b>	<b>492</b>
<b>TABLE 72:</b>	<b>OTHER EXPENSES DURING THE 3RD CONTROL PERIOD (RS. CRS.) .....</b>	<b>493</b>
<b>TABLE 73:</b>	<b>COMPARISON OF ORIGINAL COST OF FIXED ASSETS DURING THE 3RD CP (RS. CRS.).....</b>	<b>495</b>
<b>TABLE 74:</b>	<b>COMPARISON OF REGULATED RATE BASE DURING THE 3RD CP (RS. CRS.) .....</b>	<b>495</b>
<b>TABLE 75:</b>	<b>WEIGHTED AVERAGE COST OF CAPITAL (PERCENT) .....</b>	<b>496</b>
<b>TABLE 76:</b>	<b>COMPARISON OF ROCE DURING THE 3RD CP (RS. CRS.).....</b>	<b>496</b>
<b>TABLE 77:</b>	<b>ROCE COMPUTED BY THE COMMISSION DURING THE 3RD CP (RS. CRS.).....</b>	<b>497</b>
<b>TABLE 78:</b>	<b>COMPARISON OF TOTAL REVENUE FOR 3RD CONTROL PERIOD (RS. CRS.).....</b>	<b>498</b>
<b>TABLE 79:</b>	<b>COMPARISON OF NON-TARIFF INCOME OF APTRANSCO DURING THE 3RD CONTROL PERIOD .....</b>	<b>499</b>
<b>TABLE 80 :</b>	<b>TRUE-UP APPROVED BY THE COMMISSION FOR THE 3<sup>RD</sup> CONTROL PERIOD - APTRANSCO .....</b>	<b>500</b>

## **ANNEXURES**

ANNEXURE - 1	FILING AND APPROVED: POWER PURCHASE COST FOR FY2019-20 – APSPDCL.....	503
ANNEXURE - 2	FILING: POWER PURCHASE COST FOR FY2019-20 - APEPDCL.....	505
ANNEXURE -3	APPROVED: POWER PURCHASE COST FOR FY2019-20 – APEPDCL.....	507
ANNEXURE- 4	LIST OF PERSONS WHO SUBMITTED VIEWS/OBJECTIONS/SUGGESTIONS .....	509
ANNEXURE - 5	APERC PUBLIC NOTICE ON TRUE UP COST FOR FY2019-20 APSPDCL & APEPDCL.....	511
ANNEXURE - 6	PAPER NOTIFICATION .....	513
ANNEXURE - 7	FILING AND APPROVED: POWER PURCHASE COST FOR FY2020-21 – APSPDCL.....	514
ANNEXURE - 8	FILING AND APPROVED: POWER PURCHASE COST FOR FY2020-21 – APEPDCL.....	515
ANNEXURE - 9	FILING AND APPROVED: POWER PURCHASE COST FOR FY2020-21 – APCPDCL .....	517
ANNEXURE-10	APPROVED ARR, MYT ORDER FOR 3RD CONTROL PERIOD- DISTRIBUTION COST COMPUTATIONS AFTER INCLUSION OF KURNOOL AND ANANTAPUR IN APSPDCL .....	519
ANNEXURE-11	LIST OF OBJECTORS.....	521
ANNEXURE-12	APERC PUBLIC NOTICE ON DISTRIBUTION BUSINESS TRUE UP FOR 3RD CP .....	526
ANNEXURE -13	PAPER NOTIFICATION .....	528
ANNEXURE-14	APTRANSCO PAPER NOTIFICATION .....	529
ANNEXURE-15	APERC PUBLIC NOTICE ON TRANSMISSION BUSINESS TRUE UP FOR 3RD CP .....	530
ANNEXURE-16	COMPUTATIONS OF APTRANSCO - TRUE UP OF TRANSMISSION BUSINESS FOR 3RD CP (RS. CRS.).....	531
ANNEXURE - 17	COMPUTATIONS OF THE COMMISSION- TRUE UP OF TRANSMISSION BUSINESS (APTRANSCO) FOR 3RD CP (RS. CRS.).....	533





## **CHAPTER - XIII**

### **Power Purchase Cost Variations for FY2019-20**

#### **In the matter of True-up of Retail Supply Business for FY2019-20**

**in**

**O.P.No.15 of 2021**

**Eastern Power Distribution Company of Andhra Pradesh Limited**

**(APEPDCL)**

**and**

**O.P.No.37 of 2021**

**Southern Power Distribution Company of Andhra Pradesh Limited**

**(APSPDCL)**

#### **Introduction**

**349.** In this Chapter, the Commission proposes to deal with the power purchase cost variations relating to the Retail Supply Business of APSPDCL, and APEPDCL for FY2019-20 based on their respective filings.

**350.** APEPDCL and APSPDCL (in short “the DISCOMS”) have filed petitions on 04.01.2021 and 07.01.2021 respectively for true-up of their retail supply businesses for FY2019-20. The petitions of APEPDCL and APSPDCL have been taken on record as O.P.No. 15 of 2021 & O.P.No. 37 of 2021 on 15.02.2021 and 22.02.2021 respectively. Separate public notices (Annexure – 5) along with original petitions of the DISCOMS were placed on the website of the Commission on 08.04.2021 inviting objections/views/suggestions from the stakeholders and informing them that the web hearing on these petitions would be held on 12.05.2021. The DISCOMS were also directed to place public notices and copies of their petitions on their respective websites for inviting views/objections/suggestions from all the stakeholders. The Commission heard these petitions on 30.06.2021, 07.07.2021, 01.09.2021, and 22.09.2021. As the response to these petitions from the public was poor during the above hearings, the Commission vide letter dated 21.10.2021 has directed both the DISCOMS to publish notifications in newspapers to inform the public about their filings, the final public hearing date of 24.11.2021, and to invite views/objections/suggestions on the filings. In compliance with the directions of the Commission, the DISCOMS have published notifications in one Telugu daily newspaper ‘Sakshi’ on 29.10.2021 and in one English daily newspaper ‘Times of India’ on 30.10.2021 -

(Annexure-6) in their respective areas of operation, informing the public about their filings and the date of final hearing through the web along with other relevant details.

It was also informed in the notifications that all the interested persons/associations/stakeholders/objectors may submit their written views/objections/suggestions in respect of the said petitions before the date of the public hearing and those who want to be heard in person/through their authorized representatives may appear before the Commission on the said date of the public hearing through the web. Accordingly, the petitions came up for final hearing through the web on 24.11.2021 in the presence of Sri P. Shiva Rao, learned Standing Counsel for the petitioners, Sri Ch. Babu Rao, Sri Srikanth Vijay Dhuri, Sri Shiva Kumar, and Sri M. Venugopal Rao, learned objectors and Ms. Anannya Ghosh, Advocate. After carefully considering the material available on record and after hearing the arguments of the learned objectors and learned counsel for the petitioners, the Commission passes the following order.

### DISCOMS' Filings

- 351.** The actual sales and actual power procurement quantity vis-a-vis approvals, filed by the DISCOMS for FY2019-20 are given below:

**Table1: Variance of actual sales and actual Power purchase quantity vis-a-vis approvals for FY2019-20**

Particulars	Unit	FY2019-20		
		APEPDCL	APSPDCL	State
Approved Sales	MU	21,995.58	37,166.70	59,162.28
Approved Losses	%	8.94	10.67	10.03
Approved Power Procurement	MU	24,154.32	41,604.68	65,759.00
Actual Sales	MU	20,776.81	35,158.60	55,935.41
Actual Power Procurement	MU	22,854.27	40,345.12	63,199.39

- 352.** Based on the actual sales for FY2019-20, the variations in the despatch of energy and power purchase costs, filed by the DISCOMS source wise and in total terms are given in the tables below.

**Table 2: Variations in despatch of energy and power purchase costs****(Approved Vs Actual) - APEPDCL**

Source	Energy(MU)			Fixed Cost (Cr)			Variable Cost (Cr)			Total Cost (Cr)		
	Apr	Act	Var	Apr	Act	Var	Apr	Act	Var	Apr	Act	Var
APGENCO Thermal	5952.43	5423.03	-529.40	725.58	783.20	57.62	1657.62	1910.83	253.21	2383.20	2694.03	310.83
APPDCL	3594.58	2278.35	-1316.23	366.64	330.94	-35.70	938.18	698.41	-239.77	1304.82	1029.35	-275.47
CGS	5799.43	5042.85	-756.58	676.92	574.44	-102.48	1449.89	1673.67	223.78	2126.81	2248.11	121.30
IPPs	1599.98	2318.93	718.95	258.04	214.21	-43.83	383.55	711.63	328.08	641.59	925.84	284.25
GAS	1112.16	712.13	-400.03	97.79	44.44	-53.35	256.11	204.08	-52.03	353.90	248.52	-105.38
Hydel	1095.88	1205.72	109.84	189.33	206.60	17.27	0.00	0.00	0.00	189.33	206.60	17.27
NCE	5592.42	860.00	-4732.42	0.00	0.00	0.00	2568.03	372.94	-2195.09	2568.03	372.94	-2195.09
Market & Others	203.56	1287.67	1084.11	0.00	0.00	0.00	81.43	504.88	423.45	81.43	504.88	423.45
Swap Power return	-1412.56	-1129.29	283.27	-153.24	0.00	153.24	-414.51	-422.47	-7.96	-567.75	-422.47	145.28
D<>D sales	616.34	4854.88	4238.54	0.00	0.00	0.00	247.77	1951.66	1703.89	247.77	1951.66	1703.89
Sale of Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>24154.22</b>	<b>22854.27</b>	<b>-1299.95</b>	<b>2161.06</b>	<b>2153.83</b>	<b>-7.23</b>	<b>7168.07</b>	<b>7605.63</b>	<b>437.56</b>	<b>9329.13</b>	<b>9759.46</b>	<b>430.33</b>

**Table3: Variations in Despatch of energy and power purchase costs****(Approved Vs Actual)-APSPDCL**

Source	Energy(MU)			Fixed Cost (Cr)			Variable Cost (Cr)			Total Cost (Cr)		
	App	Act	Var	App	Act	Var	App	Act	Var	App	Act	Var
APGENCO Thermal	9978.89	10401.39	422.50	1,365.75	1,502.19	136.44	2,728.65	3,664.91	936.26	4094.40	5167.10	1072.70
APPDCL	6894.42	4369.88	-2524.54	703.24	634.74	-68.50	1,799.44	1,339.56	-459.88	2502.68	1974.30	-528.38
CGS	9812.62	9655.67	-156.95	1,298.36	1,101.76	-196.60	2,386.10	3,177.53	791.43	3684.46	4279.29	594.83
IPPs	2892.59	4428.78	1536.19	486.4	409.94	-76.46	684.38	1,359.36	674.98	1170.78	1769.30	598.52
GAS	2133.13	1365.88	-767.25	187.57	85.23	-102.34	491.25	391.42	-99.83	678.82	476.65	-202.17
Hydel	2101.92	2312.58	210.66	363.15	396.27	33.12	0	0	0.00	363.15	396.27	33.12
NCE	10726.3	12363.02	1636.72	0	0	0.00	4,925.52	5,625.41	699.89	4925.52	5625.41	699.89
Market & Others	390.44	2486.30	2095.86	0	0	0.00	156.17	993.83	837.66	156.17	993.83	837.66
Swap Power return	-2709.29	-2165.98	543.31	-293.91	0	293.91	-795.04	-810.29	-15.25	-1088.95	-810.29	278.66
D<>D sales	-616.34	-4854.88	-4238.54	0	0	0.00	-247.77	-1,951.66	-1703.89	-247.77	-1951.66	-1703.89
Sale of Power	0	-17.52	-17.52	0	0	0.00	0	-7.31	-7.31	0.00	-7.31	-7.31
<b>Total</b>	<b>41604.68</b>	<b>40345.12</b>	<b>-1259.56</b>	<b>4110.56</b>	<b>4130.13</b>	<b>19.57</b>	<b>12128.70</b>	<b>13782.76</b>	<b>1654.06</b>	<b>16239.26</b>	<b>17912.89</b>	<b>1673.63</b>

- 353.** The DISCOMS by quoting the regulatory provisions and limiting the agriculture sales to Tariff Order quantity and the energy despatches corresponding to revised sales, have claimed the source wise and total variations in the power purchase costs as True-up for FY2019-20 as given in the table below:

**Table 4: Source wise variations in power purchase costs (Claim) - APEPDCL**

Source	Energy (MU)			Fixed Cost (Cr)			Variable Cost (Cr)			Total Cost (Cr)		
	App	Act	Var	App	Act	Var	App	Act	Var	App	Act	Var
APGENCO Thermal	5952.43	5423.03	-529.40	725.58	783.20	57.62	1,657.62	1,910.83	253.21	2,383.20	2,694.03	310.83
APPDCL	3594.58	2278.35	-1,316.23	366.64	330.94	-35.71	938.18	698.41	-239.77	1,304.82	1,029.35	-275.48
CGS	5799.43	5042.85	-756.58	676.92	574.44	-102.49	1,449.89	1,673.67	223.78	2,126.81	2,248.11	121.30
IPP	1599.98	2318.93	718.95	258.04	214.21	-43.83	383.55	711.63	328.08	641.59	925.84	284.25
GAS	1112.16	712.13	-400.03	97.79	44.44	-53.35	256.11	204.08	-52.03	353.90	248.52	-105.38
Hydel	1095.88	1205.72	109.84	189.33	206.60	17.27	0.00	0.00	0.00	189.33	206.60	17.27
NCE	5592.42	860	-4732.42	0.00	0.00	0.00	2568.03	372.94	-2195.09	2,568.03	372.94	-2195.09
Market & Others	203.56	884.1	680.54	0.00	0.00	0.00	81.43	346.69	265.26	81.43	346.69	265.26
Swap Power return	-1412.56	-1129.29	283.27	-153.24	0.00	153.24	-414.51	-422.47	-7.96	-567.75	-422.47	145.28
D<>D sales	616.34	4854.88	4238.54	0.00	0.00	0.00	247.77	1951.66	1703.89	247.77	1951.66	1703.89
Sale of Power	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>24154.22</b>	<b>22450.70</b>	<b>-1703.52</b>	<b>2161.06</b>	<b>2153.82</b>	<b>-7.24</b>	<b>7168.07</b>	<b>7447.44</b>	<b>279.37</b>	<b>9329.13</b>	<b>9601.26</b>	<b>272.13</b>

**Table 5: Source wise variations in power purchase costs (Claim) - APSPDCL**

Source	Energy (MU)			Fixed Cost (Cr)			Variable Cost (Cr)			Total Cost (Cr)		
	App	Act	Var	App	Act	Var	App	Act	Var	App	Act	Var
APGENCO Thermal	9978.89	10401.39	422.50	1,365.75	1,502.19	136.44	2,728.65	3,664.91	936.26	4,094.40	5,167.10	1072.70
APPDCL	6894.42	4369.88	-2524.54	703.24	634.74	-68.50	1,799.44	1,339.56	-459.88	2,502.68	1,974.30	-528.38
CGS	9812.62	9655.67	-156.95	1,298.36	1,101.76	-196.60	2,386.10	3,177.53	791.43	3,684.46	4,279.29	594.83
IPP	2892.59	4428.78	1536.19	486.40	409.94	-76.46	684.38	1,359.36	674.98	1,170.78	1,769.30	598.52
GAS	2133.13	1365.88	-767.25	187.57	85.23	-102.34	491.25	391.43	-99.82	678.82	476.66	-202.16
Hydel	2101.92	2312.58	210.66	363.15	396.27	33.12	0.00	0.00	0.00	363.15	396.27	33.12
NCE	10726.3	12363.02	1636.72	0.00	0.00	0.00	4,925.52	5,625.40	699.88	4,925.52	5,625.40	699.88
Market & Others	390.44	1499.29	1108.85	0.00	0.00	0.00	156.17	606.83	450.66	156.17	606.83	450.66
Swap Power return	-2709.29	-2165.98	543.31	-293.91	0.00	293.91	-795.04	-810.29	-15.25	-1,088.95	-810.29	278.66
D<>D sales	-616.34	-4854.88	-4238.54	0.00	0.00	0.00	-247.77	-1,951.66	1703.89	-247.77	-1,951.66	-1703.89
Sale of Power	0.00	-17.52	-17.52	0.00	0.00	0.00	0.00	-7.31	-7.31	0.00	-7.31	-7.31
<b>Total</b>	<b>41604.68</b>	<b>39358.11</b>	<b>-2246.57</b>	<b>4110.56</b>	<b>4130.13</b>	<b>19.57</b>	<b>12128.70</b>	<b>13395.76</b>	<b>1267.06</b>	<b>16239.26</b>	<b>17525.89</b>	<b>1286.63</b>

- 354.** In additions to the power purchase cost variations for FY2019-20, the DISCOMS have also claimed the revenue variations and carrying cost on allowable power purchase cost as shown below:

**Table 6 : Total True-Up for FY2019-20**

S. No.	Particulars	EPDCL	SPDCL	TOTAL
A	Expenses True-up	272.12	1286.65	1558.8
B	Revenue True-up/(True-down)	354.02	357.62	711.64
C	Total	626.14	1644.27	2270.4
D	Carrying Cost @12% interest Rate (for one year)	75.14	197.31	272.45
E	Total True-up	701.28	1841.58	2542.9

- 355.** The DISCOMS have also stated that they have put in their best efforts in trying to file the true-up petition along with the ARR filings for FY2021-22. However, due to delay in completion of audit due to the Covid-19 pandemic, the true-up petition could not be completed along with ARR and they filed the same immediately after completion of statutory audit. Therefore, they requested the Commission to condone the delay in filing the true-up petition.
- 356.** That the huge deviation in despatches from the APPDCL plant at Krishnapatnam is due to the coal shortage and hence they have procured more power from thermal IPPs to replenish the same. The energy from NCE/RE was procured on a geographical basis as per government orders and hence there are huge variations in despatches from NCE/RE sources. There is a shortfall in Generation from Gas based projects due to partial availability of Gas and lesser availability of power from CGS Stations. They have also stated that to meet the shortfall in energy from the committed sources, an additional quantum of power has been procured from Market Sources & others.
- 357.** The DISCOMS have further stated that the Fixed Costs have been paid to various sources based on their actual availability during the year. In respect of SWAP returns, though there is a provision for fixed costs in the approval, the entire transaction was shown under variable costs.

- 358.** That the variation in per unit weighted average variable cost from Rs.0.3 to Rs.0.5 per is due to an increase in Fuel & transportation costs which are a pass-through as per regulations and power from external sources was procured to make good the shortage of power from the approved sources.
- 359.** The relevant regulatory provisions referred to by the DISCOMS in their filings are reproduced below:

***(i) Regulation 4 of 2005:***

*Clause 19:*

*"CORRECTIONS FOR "UNCONTROLLABLE" ITEMS AND "CONTROLLABLE" ITEMS AND SHARING OF GAINS/LOSSES OF "CONTROLLABLE" ITEMS*

*The Distribution Licensee shall file its proposals for pass-through as well as sharing of gains/losses on variations in "uncontrollable" items of ARR and "controllable" items (indexed to external parameters) in accordance with clause 10."*

*Clause 10:*

*"MULTI-YEAR TARIFF FRAMEWORK AND APPROACH*

*10.1 The multi-year tariff framework shall be based on the following approach, for calculation of aggregate revenue requirement and expected revenue from tariff and charges.*

*10.2 Base Year:- Values for the Base Year of the Control Period will be determined based on the audited accounts available, best estimate for the relevant years and other factors considered appropriate by the Commission, and after applying the tests for determining the controllable or uncontrollable nature of various items. The Commission will normally not revisit the performance targets even if the targets are fixed on the basis of base values of un-audited accounts.*

*10.3 Targets:- Targets will be set for items that are deemed by the Commission as "controllable" which constitute operation & maintenance costs, financing costs, and for distribution losses duly adhering to the Licensees' Standards of Performance Regulation. Trajectory for specific variables may be stipulated by the Commission where the performance of the applicant is sought to be improved upon through incentives and disincentives.*

*10.4 Controllable and Uncontrollable items of ARR:- The expenditure of the Distribution Licensee considered as "controllable" and "uncontrollable" shall be as follows:*

**DISTRIBUTION BUSINESS**

<i>ARR Item</i>	<i>"Controllable"/"Uncontrollable"</i>
<i>Operation &amp; Maintenance expenses</i>	<i>Controllable</i>
<i>Return on Capital Employed</i>	<i>Controllable</i>
<i>Depreciation</i>	<i>Controllable</i>
<i>Taxes on Income</i>	<i>Uncontrollable</i>
<i>Non-tariff income</i>	<i>Controllable</i>

*In addition to 'the above items' the retail supply business shall include the following:*

<i>Retail Supply Business</i>	
<i>ARR Item</i>	<i>"Controllable"/"Uncontrollable"</i>
<i>Cost of power purchase</i>	<i>Uncontrollable</i>

10.5 Pass-through of gains and losses on variations in "uncontrollable" items of ARR:- The Distribution Licensee shall be eligible to claim variations in "uncontrollable" items in the ARR for the year succeeding the relevant year of the Control Period depending on the availability of data as per actuals with respect to effect of uncontrollable items:

*Provided that the Commission shall allow the financing cost on account of the time gap between the time when the true-up becomes due and when it is actually allowed and the corrections shall not be normally revisited.*

10.6 Sharing of gains and losses on variations in "controllable" items of ARR:- The Distribution Licensee in its annual filings during the Control Period shall present gains and losses for each controllable item of the Aggregate Revenue Requirement. A statement of gains and losses against each controllable item will be presented after adjusting for any variations on account of uncontrollable factors.

10.7 For the purpose of sharing gains and losses with the consumers, only aggregate gains or losses for the Control Period as a whole will be considered. The Commission will review the gains and losses for each item of ARR and make appropriate adjustments wherever required:

*Provided that for the first Control Period, insofar as the gains and losses from the Retail Supply Business of the Distribution Licensee are concerned, these will be shared with the consumers on a yearly basis.*

10.8 Notwithstanding anything contained in this Regulation, the gains or losses in the controllable items of ARR on account of factors that are beyond the control of the Distribution Licensee - force majeure - shall be passed on as an additional charge or rebate in ARR over such period as may be specified in the Order of the Commission."

**(ii) Regulation 1 of 2014:**



*“12.5 True-up for Retail Supply Business*

- a. The Distribution Licensee shall include the power purchase cost variation over the previous year Power Purchase cost in the Tariff Order as expense (in the event of incurring excess cost)/rebate (in case of cost saving) in the ARR as a special item with relevant details. To arrive the power purchase cost variation, the least of the following power purchase quantity is to be considered: i) Actual power purchase quantity procured by the DISCOMs for its consumers.*
- ii) Power purchase quantity computed based on actual sales except LT Agriculture sales. LT Agricultural sales will be limited to Tariff Order quantity. These aggregated sales will be grossed up with approved losses for the relevant year in the MYT orders.*
- b. Since the complete information of cost actually incurred relating to previous year will not be available at the time of filing of ARR for a particular tariff year, the Licensee may include provisional cost variation for the previous year in ARR filings which will be subject to final correction by the Commission as and when final accounts for that year become available.*
- c. The Licensees shall also include in the ARR the amounts to be collected on final basis being the difference between the cost incurred based on audited annual accounts report and costs provisionally approved by the Commission in the Tariff Order for the year immediately preceding the previous year.*
- d. The amount to be trued-up for Retail Supply Business in a tariff year shall be determined as follows:*

$$\sum_i^n \Delta C_{trp}(t) = \left[ \sum_i^n C_{prv}(t-1) - \sum_i^n C_{apr}(t-1) \right] + \sum_i^n C_{fnl}(t-2) - \mu(t-2)$$

Where,

$\sum_i^n$  Summation extends over all Power Purchase sources  $i = 1, 2, \dots, n$

$\sum_i^n \Delta C_{trp}(t)$  True-up cost summed over all sources for the tariff year (t).

$\sum_i^n \Delta C_{prv}(t-1)$  The Power Purchase cost summed over all sources based on provisional estimates for the previous year (t-1)

$\sum_i^n \Delta C_{apr}(t-1)$  The power purchase cost summed over all sources as approved in Tariff Order for the previous year (t-1) as per the relevant Tariff

Order.

$$\sum_i^n \Delta C_{fnl}(t-2) = \sum_i^n \Delta C_{actb}(t-2) - \sum_i^n \Delta C_{prv}(t-2)$$

(The Difference between actual power purchase cost as per Audited Balance



*Sheet for (t-2) year and provisional power purchase cost of the year (t-2) adopted in the year (t- 1) by the Commission*

$\sum_i^n \Delta Cactb(t-2)$  *The actual power purchase cost summed over all sources based on the audited balance sheet for the year (t-2).*

$\sum_i^n \Delta Cprv(t-2)$  *The Power Purchase Cost summed over all sources based on provisional estimates adopted in year (t-1) for the year (t-2).*

$\mu(t-2)$  *Charges on Ineligible items and Interest amounts paid on capital borrowed for financing the power purchase cost where they have been included in determination of power purchase cost in the accounts for the year (t-2).*

.....

.....

$\sum_i^n \Delta Ctrp(t)$  *can be either a positive or a negative figure*

.....  
.....”

#### **Views/Objections/Suggestions**

- 360.** In response to the public notices, views/objections/suggestions from many individuals/organizations have been received. The list of Objectors who submitted written submissions and attended the web hearing is enclosed as Annexure-4. All the relevant objections and the DISCOMS responses to the same are discussed in the following paragraphs.
- 361.** AP Textile Mills Association advanced that though condonation of delay in filing the true-up is within the powers of the Commission, it may not do it without some punitive costs to the DISCOMS. That the reasons for delays in filings are routinely repeated every year. The objector further stated that though APSPDCL confirmed that the figures adopted for finalizing true-up are audited figures, APEPDCL has not confirmed the same explicitly in its petition. That APEPDCL's audited balance sheet for FY 2019-20 is not available on its website to submit their views. That fixed costs paid should be in proportion to the actual availability achieved unless there is a backing down by APSLDC. The objector cited some examples of power plants including hydel plants where the fixed costs claimed do not commensurate with the availability achieved/actual dispatch. The objector raised several questions regarding the variations in energy dispatches, fixed costs, and variable costs compared to that approved by the Commission in respect of CGS, APGENCO stations, APGPCL, etc., and sought explanations from the DISCOMS on the discrepancies/anomalies. That the claims towards revenue true-up are not supported by any regulatory provisions

as stated by the Commission in the True-up order in OP 50 /2019, OP 18&2 2016. Hence, they opposed the claims towards revenue true-up. That the carrying cost is an altogether unreasonable claim and should be disallowed as the delay is entirely due to the DISCOMS.

**DISCOMS' Response:** That due to the Covid-19 pandemic, there is a delay in finalizing the audited accounts for FY2019-20 and hence there is a delay in filings. That the audited annual accounts of the DISCOMS for FY 2019-20 are available on their website. That several reasons such as a shortfall of 2500 MU of generation from APPDCL plant and gas-based projects and wide variations in D to D energy transactions, etc. caused variations in procurement of energy. That the actual energy dispatch is not correlated to the payment of fixed costs for a generating station. That the fixed costs are paid as per PPA conditions, at the tariff as determined by the appropriate Commission or discovered through competitive bidding and based on availability. Fixed charges for hydel plants are based on machine availability, hydrological conditions, and PPA conditions. That the tariffs of CGS are determined by the CERC in accordance with the Regulations specified. The expenditure is incurred by the DISCOMS after a prudent check of the claims by CGS. Therefore, exaggerated claims have not been made by them towards fixed charges.

That any variation in sales quantum would impact the power purchase costs which is uncontrollable. That the DISCOMS could recover their entire approved/allowable expenditure, if only the approved Revenue is also recovered. That not considering actual revenue, would deprive the DISCOMS of their legitimate claim for the actual expenditure prudently spent. In response to the objections on carrying costs, the DISCOMs have stated the same reasons as in the case of the delay in filing the true-up petitions.

- 362.** Sri M. Thimma Reddy stated that the increase in transportation costs cannot be the reason for the increase in variable costs in the range of 17.45% to 35.33% as there is no change in the coal price index and the railway freight tariff for coal might have increased only by 5 to 9%. A large number of coal-based thermal power plants of CGS are located near coal mines, but the increase in variable costs claimed for these plants is higher at 35.33%. As the reasons adduced by DISCOMS for the increase in variable costs are not sustainable, the same shall not be allowed. That the increase in variable costs due to inefficient operation of power plants should not be allowed. The present application of the DISCOMS does not throw any light on these aspects. That if coal was diverted from APGENCO units to APPDCL units, about Rs. 172 Crores would have been saved. The Commission in the Tariff Order directed the Licensees to submit quarterly reports on the savings achieved through the diversion. But, the DISCOMS have failed to achieve the savings as directed by the Commission. He also objected to

the abnormal increase in the variable costs claimed by the DISCOMS for FY 2019-20 for gas stations as the actual gas prices do not justify such an increase. That he requested the Commission not to allow the AT&C losses over and above the approvals as the same are due to the inefficiencies of DISCOMS. He also opposed the claims on carrying costs attributing the delays in the filings on the DISCOMS and stated that the rate of interest as per the present scenario is to be taken in case the carrying cost is allowed. That if the DISCOMS are entitled to recover 50 percent of their losses of FY2019-20 from the government as per the UDAY agreement, then 50% of that true-up amount needs to be recovered from the GoAP.

**DISCOMS' Response:** That they paid the variable charges after a thorough scrutiny of the actual bills claimed by the generators, norms in the PPAs /Regulations. The pass orders on the bills are internally audited and confirmed by the statutory auditors as well. That a total amount of 18.8 Lakh MT coal was planned for diversion from RTPP to APPDCL units during the FY 2019-20. The targeted diversion could not materialize fully and hence the cost savings realized are meager and have been subsumed in the variable cost calculations. As regards AT&C losses, APSPDCL stated that the true-up has been claimed in accordance with the 1<sup>st</sup> amendment to Regulation 4 of 2005 and approved losses as per the retail tariff order. As regards the taking over of financial losses by the government, APSPDCL stated that as true-up of distribution cost, network cost, revenue, etc., is not allowed, the receipts from the GoAP towards 50% of losses for FY 2019-20 need to be adjusted at the time of true-up of distribution/retail supply business at the end of the control period. APEPDCL stated that it has shown a small profit for FY2019-20 and hence it has not received any amount from the government under the UDAY scheme. In response to the objection on carrying cost claims, their reply is similar as stated supra. The DISCOMS have also stated that the fixing of interest rate on carrying costs is under the purview of APERC.

- 363.** Sri M. Venugopala Rao has stated, among other things, that in view of the reduction in power purchase and sales vis-a-vis approvals given by the Commission for the FY2019-20, the DISCOMS' claim for true-up of a hefty sum of Rs.1841.58 crores needs thorough examination. That the DISCOMS have not submitted the relevant information relating to the increase in fuel and transportation costs source-wise and the same need to be examined to ascertain justifiability or otherwise of such additional costs in view of the huge increase in variable costs. That the DISCOM to DISCOM transfer of energy is shown as 4854.88 MU against 616.34 MU approved by the Commission. Short-term and other purchases are shown as 2486.30 MU against 390.44 MU approved by the Commission. It shows that, instead of first meeting its requirement from committed sources, APSPDCL has transferred a substantial

quantum of power to APEPDCL and purchased additional power from short-term and other sources. He requested the Commission to adjust the income from renewable energy certificates accrued during FY 2019-20, if any, from the permissible claims under true-up in respect of APSPDCL. He also requested the Commission to adjust the amounts received from the government under the UDAY scheme from the permissible claims. He further stated that GOAP has to take over Rs.1920.20 crores out of the total loss of APSPDCL under the UDAY scheme and it has received Rs.277.06 crores only to date in this regard. Therefore, he requested the Commission to adjust the balance of Rs.1643.14 crores dues from GOAP to SPDCL towards claims permissible under the subject true-up. That the true-up claims of DISCOMS for additional power purchased from the markets at prices exceeding the upper limit fixed by the Commission should be rejected in consonance with the directions given in the retail supply tariff order for FY2019-20. That for FY 2019-20 ending March 2020, completion of the audit does not require a period of about nine months. For the failure of the DISCOM to file the true-ups in time, the consumers should not be penalized in the form of carrying costs. Therefore, he stated that the period of delay in filing the true-ups while computing the carrying costs should be excluded. He also opposed the revenue true-up. That it is not known whether DISCOMS have factored the surplus power available, the quantum of surplus power backed down, variable costs of the backed down stations, fixed charges paid for backed down energy, per unit price of power purchased through exchanges, energy backed down to accommodate energy from must-run wind and solar power, failure of the thermal plants to lift full quantum of coal, CTU charges and losses, interest on working capital borrowed for short-term purchases, for computing the savings in power purchase costs.

**DISCOMS' Response:** That even though there is a reduction in the sales/power purchase quantum vis-a-vis the approvals, the true-up is necessitated in view of the increase in the per unit cost of power than that approved. That, there is a marginal decrease in fixed cost from Rs 1.12/Unit to Rs.1.02/Unit whereas the variable cost increased steeply from the approved level of Rs 2.92/Unit to Rs.3.42/Unit which works out to 17.12%. The variable costs incurred are actual and payable after a thorough scrutiny of each & every monthly invoice raised by the Generators and supported by certified data on actual parameters and costs. The actual Power Purchase Costs also get audited by the statutory auditors and there is no misrepresentation of information whatsoever in this regard. That the power is procured combinedly considering the requirements of all the DISCOMS duly following a common merit order. The energy procured is allocated among different DISCOMS based on the share of their capacities in the PPAs. The actual energy requirement of a DISCOM is compared with the actual allocation and based on the same, DISCOM to DISCOM energy is decided. Therefore, the objector cannot conclude that huge

energy is procured by APSPDCL to transfer it to APEPDCL. APEPDCL stated that the steep increase in DISCOM to DISCOM drawal for FY 2019-20 compared to the approval in RSTO, is due to the G.O.Rt.No.116 Dated 01.10.2019 issued by the State Government which allocated RE projects on a geographical basis with retrospective effect from 1<sup>st</sup> April 2019. APSPDCL has stated that it sold 1880 MU of RE to APEPDCL and income from RECs in NIL.

That the Govt. of AP shall take over 25% of the loss for FY2018-19 during FY2019-20 as per UDAY MOU. The loss of APSPDCL for FY2018-19 as per the audited reports is Rs. 7680.08 Crores. The GoAP has to take over 1920.20 Crores, i.e. 25% of Rs.7689.08 crores. However, APSPDCL has received Rs. 277.06 Crores only from GOAP towards losses. As other items such as distribution cost, network cost, etc., are not allowed for true-up now, it is essential to carry out adjustment of the amount received from GOAP during the true-up of the Retail supply business at the end of the control period. APEPDCL has furnished a similar response as furnished to the other objectors stated supra on this aspect.

That the backed down generation during the FY2019-20 is to the tune of 10,300 MU. That surplus power gets backed down as per the Grid conditions and in accordance with the relevant Regulations including Indian Electricity Grid Code (IEGC). The details of overall Fixed Costs paid, total dispatched energy and fixed cost attributable to the backed down energy for FY2019-20 were estimated and indicated in the table below.

**Table 7: Backing down energy furnished by the DISCOMs**

Energy Dispatch (MU)	63,200
Energy Availability (MU)	73535
Fixed Cost Paid (Rs Crs)	6284
Fixed Cost per Unit of Energy Availability (Rs/Unit)	0.85
Fixed Cost paid for Backed Down Energy (Rs Crs)	883.2

The DISCOMS have stated that they were constrained to back down thermal power in order to accommodate purchases from Must Run Stations. That the DISCOMS are obligated to pay Fixed Costs based on the availability certified by APSLDC. That the approved price of Market Purchases is Rs.4.00/Unit and the weighted average price of power purchases from the market and other short-term sources is Rs.3.97/Unit for FY2019-20, which is lower than the approved value. The DISCOMS have furnished a similar response as furnished to the other objectors supra as regards their claim on revenue true up, delay in filings, and carrying costs.

- 364.** Sri Ch. Babu Rao, similar to Sri M. Venugopala Rao elaborated in detail, among other things, the problems associated with surplus RE in the State such as the availability of abnormal surplus energy, on one hand, necessitating backing down of huge quantum of thermal energy and purchase of short-term energy from the market at significant costs on the other hand, etc.

**DISCOMS' Response:** The DISCOMS denying the contention of the objector have stated that the surplus and deficit time blocks occur at different points in time. All deficit time blocks warrant procurement of market power to maintain 24X7 supply to all the categories of consumers except the Agriculture category. All surplus time blocks warrant backing down of generation as per Merit Order Dispatch (MoD) List. This is the procedure followed by APDISCOMS without compromising on commercial prudence and optimization of power procurement costs. That the merit order dispatch list is taken as the basis for market procurement decisions, That the DISCOMS are working with the public interest in mind and are trying their level best to optimize the power purchase costs.

- 365.** A.P.Ferro Alloy Producers Association quoted the extracts of the relevant tariff orders of the Commission in their submissions and stated that the delays in filing of both provisional & final true-up are attributable to the DISCOMS and hence should not be allowed. That the MYT Tariff Regulations have become outdated and need to be revised. That the DISCOMS have not mentioned the plant availability factors achieved by the thermal plants for which they have claimed the true-up costs. In many instances, the fixed costs claimed by DISCOMS are the same as the approved costs though energy dispatches have gone down. That in accordance with the APERC Tariff Order dated 22.02.2019, the approved figures in the APGENCO Multi-Year tariff Order for the fourth control period (FY2019-20 to FY2023-24) will have to be considered while computing the True-Up of Fixed Costs for APGENCO Stations for FY 2019-20. That the fixed charges for APPDCL SDSTPS-Stage-I will have to be taken in accordance with the Order dated 02.03.2019 issued in OP 47 of 2017, and the fixed charges for RTPP-IV will have to be taken in accordance with the Order issued dated 31.12.2020. That the Commission may restrict the Variable Charge Rates for the APGENCO plants as per the Base Variable Charge Rates approved by the Commission in the relevant tariff orders until the DISCOMS and APGENCO have ensured compliance with the directives of the Commission in the Orders dated 22.09.2019 and 29.04.2019 respectively. That though power purchase is recorded by Statutory Auditors, the same has to be subjected to prudent checks since DISCOMS have not submitted sufficient data. That in the light of the Hon'ble High Court Order, the Commission may approve Power Purchase for Wind and Solar plants at Rs. 2.43/kWh and Rs. 2.44/kWh respectively. That the DISCOMS have not submitted the details of short-term



purchases made. That the Commission may limit the price of the purchase from Short Term Sources to the average power purchase cost determined in the Order dated 22.02.2019, i.e. at Rs. 4.02/kWh for each instance of short-term purchases made by the Petitioners, and disallow any amount towards short-term purchases that has exceeded Rs. 4.02/kWh. That no truing up on account of revenue can be considered when the inclusion of the same is yet to be adjudicated upon by the Commission. That the consumers ought not to be burdened with the carrying cost on account of delays in the filings. Further, the objector indicated in the submissions the true-up cost computed by them based on the data available with them.

- 366.** Arcelor Mittal Nippon Steel India Limited (AMNSIL) stated, among other things, that the Resolution Plan, as approved by the SC Judgment expressly provides that all claims and liabilities of Essar Steel India Limited (ESIL) (facing corporate insolvency process), arising till the Effective Date stood waived, extinguished, abated, and discharged in perpetuity. That in other words, as a matter of law, claims, and liabilities, which may have arisen or accrued against ESIL till the Effective Date, cease to exist against AMNSIL (ESIL name changed to AMNSIL) till the Effective Date. The objector quoted the relevant extract of the Resolution Plan in this regard.

That in view of the Code and the SC Judgment, the terms of the Resolution Plan are binding on all the stakeholders including APEPDCL. That most pertinently, the Hon'ble Supreme Court in the SC Judgment has further clarified and confirmed that the successful Resolution Applicant's ability (i.e., AMNSIL's ability) to run the business of the corporate debtor (i.e., ESIL) after the approval of the Resolution Plan would not be hindered by earlier claims. That in view of the above factual and legal position, AMNSIL is also entitled to be permitted to operate on a "fresh slate." Accordingly, true up charges for the period prior to the Effective Date, as a matter of law, cannot be imposed on AMNSIL as the same stand waived, extinguished, abated, and discharged qua AMNSIL in perpetuity from the Effective Date. Therefore, the objector requested the Commission to kindly consider the above legal position and declare, as a matter of policy that entities that have undergone successful corporate insolvency resolution under the code resulting in extinguishment of liability for the period prior to such resolution, shall be exempt from payment of True-Up charges for the period prior to such resolution. That, in the present facts and circumstances, to direct that the period from 01.04.2019 to 15.12.2019 would be excluded *qua them* for the computation of True Up Charges for the FY2019-20 and that the True-Up Charges for the said financial year be proportionately reduced pursuant to such exclusion.

- 367.** Sri Peeta Raman has stated that those living in rented houses and shifted to new ones have to now shell out two to three times more as electricity charges for the power consumed by the previous tenants between 2014-15 and 2018-19 fiscal years as the

landlords are in no mood to oblige them. That the true-up charges had come as an additional burden at a time when there is a struggle to eke out a living owing to the economic downturn triggered by the Covid pandemic. If true-up charges are imposed, it may have a direct effect on essential commodities. That the industrial sector is now slowly growing up after the Covid-19 pandemic and if any True-Up charges are imposed, it would adversely affect the interests of the industrial sector. That in the light of the above, it would be appropriate if the Government bears these charges and therefore APERC may advise the government accordingly.

- 368.** During the public hearing on 24.11.2021, Sri Ch.BabuRao, Sri Venu Goppala Rao, FAPPCI represented by Sri Srikanth, and Sri Shiva Kumar made oral submissions similar in line with their written submissions.

**Commission's views, analysis and decision:**

- 369.** In light of the objections to the proposals of the DISCOMS and the replies furnished by the DISCOMs to the same as discussed supra, the following would emerge for consideration of the Commission.

**A. Admissibility of the Claims on variations in revenue true-up.**

**B. Admissibility of the Claims on variations in Power purchase cost and**

**C. Admissibility of the Claims on carrying cost in respect of the variations in power purchase cost**

**A. Admissibility of the Claims on variations in revenue true-up**

- 370.** All the objectors in one voice opposed the claim for revenue true-up on the ground that the relevant Regulations do not envisage annual revenue true-up. In addition to this, the objectors have raised their objections on several other counts. In consonance with its earlier decisions the Commission is not inclined to accept the revenue true-up claims of DISCOMs as there is no regulatory provision for annual true-up of Revenue. The DISCOMs however, relied on the need for true-up along with the that of expenditure and referred to their letter dated 15.01.2017, which sought, inter alia, revenue true-up. In the Commission's view, unless the request of the DISCOMs is accepted and the relevant regulation amended accordingly, their letter has no sanctity in law. Accordingly, the claim on Revenue true-up is disallowed.

**B. Admissibility of the Claims on variations in Power purchase cost**

- 371.** In the light of some of the objectors' stiff opposition to the true-up system, it is pertinent to reproduce the Commission's statement at Para 325 of the Retail Supply Tariff Order for FY2019-20 below:

*"325 .The power purchase costs and energy availability/despatches projected by the Commission are estimates only. The Commission is aware of the fact that actual values may differ from these projections. For some of the stations, the variations may be*



*positive and for others, negative. The Commission has endeavored to minimize the effect of these variations on the projected purchase costs/energy availability/despatches to the extent possible. The Commission will subsequently carry out the necessary revision of these power purchase Costs as per the relevant Regulation.”*

- 372.** When the tariffs are fixed on the basis of estimated costs, the gap between the estimates/projections and the actuals is bound to occur and a zero gap is impossible to achieve given the practical constraints in making ideal estimates and the resulting variations which are plus or minus have to be adjusted subsequently. The Commission has been striving in every RSTO to minimize this gap to the extent possible. Regulation 1 of 2014 provides for a clear mechanism for dealing with power purchase cost variations. Though, the said Regulation has not employed the phrase ‘true-up’, this phrase has been coined in the power sector and being used by every forum including the Hon’ble APTEL. The true purport of the Regulation is to allow variation between estimated expenditure and actual expenditure. For convenience this exercise is called true-up / true-down. In real sense, recovery of the expenditure incurred in excess of the estimate can neither be treated as imposition of additional burden on the consumers nor termed as unjust or illegal. This amount is part of actual tariff as against the estimated tariff paid by the consumer, pending finalization of the accounts. Indeed without such exercise, the licensees will not be able to recover the actual expenditure incurred by them in supplying power to the consumers. There is therefore no justification for the stake holders to raise objections to the initiation of this exercise and recovery of the additional costs legitimately incurred by the licensees.

Apart from the statutory regulation mandating this exercise, non-observance of this essential process by certain ERCs was frowned upon by the APTEL in its order dated 11-11-2011 in O.P.No.1 of 2011. The relevant part of the order reads as under.

*“65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:*

*(i) Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.*

*(ii) It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year. For example, the ARR & tariff for the financial year 2011- 12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.*

(iii) In the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy. (iv) In determination of ARR/tariff, the revenue gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.

(v) Truing up should be carried out regularly and preferably every year. For example, truing up for the financial year 2009-10 should be carried out along with the ARR and tariff determination for the financial year 2011-12.

(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/mechanism."

Therefore, the Commission is under statutory obligation to entertain and adjust the claims made by the DISCOMS.

- 373.** The Commission, in order to examine the power purchase cost variations, has verified the audited accounts reports of the DISCOMS which are also available on their websites. The contention of some objectors that the audited information is not available on their websites is unfounded. The audited accounts which show the power purchase costs include other network costs, etc. The Commission has obtained the breakup of the details from it and arrived at the expenditure booked related to the power purchase cost for the FY2019-20. The power purchase cost shown in books of account and power purchase cost filed in true-up petitions are given below:

Sl. No.	DISCOM	Power purchase cost shown in the audited books for FY2019-20	Allowable Power purchase cost shown in the true-up petitions for FY2019-20
1	EPDCL	9759.41 Cr.	9601.25 Cr.
2	SPDCL	17911.12 Cr.	17525.89 Cr.

- 374.** As can be seen from the above table, the power purchase costs filed for claiming variations over the Commission's approvals, are less than the costs booked in the books of accounts. However, as pointed out by one of the objectors, the DISCOMS are not entitled to claim variations in power purchase costs based on the costs booked in the audited accounts alone. Therefore, the Commission has prudently checked other relevant data related to the Claims as detailed in the following paragraphs.
- 375.** To begin with, the Commission has examined the sales variation as shown below:

**Table 8: Sales Variations for FY2019-20**

S.No.	Description	FY 2019-20		
		EPDCL	SPDCL	TOTAL
1	Agl sales as per Audit Report (MU)	2422.77	8938.62	11361.39
2	Agl sales as per Commissions' order (MU)	2090.27	9501.2	11591.47
3	Difference Agl sales (MU) (1-2)	332.5	-562.58	-230.08
4	Total sales as per Audit Report (MU)	20776.66	35158.6	55935.26
5	Total sales as per Tariff order (MU)	21,995.58	37,166.70	59,162.28

As could be seen from the above table, the total audited sales of each DISCOM are less than that approved by the Commission in the RST Order for FY2019-20. As per regulations in vogue, the free agricultural sales shall be limited to the quantity approved in the RST Order. Compared to the approvals, the Agl. sales are more by 332.5 MU in respect of APEPDCL and less by 562.58 MU in respect of APSPDCL. It is pertinent to mention here that in line with the direction in RST order FY20, the Commission has approved the excess agl. sales for APEPDCL vide order dated 27.01.2021 in O.P.No.32 of 2020 and accordingly allowed APEPDCL to claim a subsidy of Rs.204.82 Cr. from the GoAP towards this additional quantum of agricultural sales supplied to the farmers freely as per the GoAP policy. Therefore, in view of the above order, the excess agricultural sales are treated as approved sales, and accordingly, the subsidy received from the GoAP towards the additional sales would be adjusted against the actual true-up amount to be permitted in this order in respect of APEPDCL. Thus, even though the sales considered by the EPDCL are 20445 MUs for arriving at the allowable power purchase requirement, the Commission has considered the total sales as per audited books for consideration of the variations in power purchase costs. As the agricultural sales in respect of APSPDCL are less than the approved quantum, the limitation regarding the quantum of agl. sales does not arise for them. However, the subsidy received from the GoAP for the difference between the sales approved in the RST order and actual sales would be adjusted against the true-up amount to be determined in respect of APSPDCL in this order.

One of the objectors has pointed out that the inefficiencies on account of the AT&C losses of the DISCOMS ought not to be passed on to the consumers. In this regard, the objector may note that the regulation in vogue safeguards the interests of the consumers from passing on of such inefficiencies to them. The Commission has computed the power purchase requirement by grossing up the actual sales with the approved losses as per the regulation instead of accepting DISCOMS' claims in this regard. The power purchase requirement computed in the above manner is less than the actual power purchases made by the DISCOMS as shown in the table below.

**Table 9 : Power Purchase Considered by the Commission for FY2019-20**

S. No.	Description	FY 2019-20		
		EPDCL	SPDCL	TOTAL
1	Total sales as per Audit Report (MU)	20,776.81	35,158.60	55,935.41
2	Approved T &D losses(%) in the RST Order for FY20	8.94	10.67	10.03
3	Power purchase requirement based on total actual sales at the approved losses	22816.62	39358.11	62174.73
4	Actual power purchase quantum based on total sales as per True-up filings for FY20	22854.27	40345.12	63199.39
5	<b>Power purchase considered by the Commission for true-up (min of 3 &amp; 4)</b>	<b>22816.62</b>	<b>39358.11</b>	<b>62174.73</b>

- 376.** After arriving at the power purchase requirement as discussed above, the Commission has examined the actual energy dispatches from various sources vis-a-vis the approved quantum from each source. The despatches are considered for the two DISCOMS put together in order to optimize the power purchase costs as shown below.

**Table 10: Deviations in Energy Despatches for FY2019-20**

Sl.NO	Source	Energy (MU)		
		Approved	Actual	Variation
1	APGENCO Thermal	15,931.32	15,824.42	-106.90
2	APPDCL	10,489.00	6,648.23	-3,840.77
3	CGS	15,612.05	14,698.52	-913.53
4	IPP	4,492.57	6,747.71	2,255.14
5	GAS	3,245.29	2,078.01	-1,167.28
6	Hydel	3,197.80	3,518.30	320.50
7	NCE	16,318.72	13,223.02	-3,095.70
8	Market & Others	594.00	2,749.30	2155.30
9	Swap Power return	-4,121.85	-3,295.27	826.58
10	Sale of Power	0.00	-17.52	-17.52
11	<b>Total</b>	<b>65,758.90</b>	<b>62,174.73</b>	<b>-3,584.17</b>

As can be seen from the above table, there are significant under despatches from APPDCL and non conventional sources. The DISCOMS have stated that the under despatch from APPDCL is due to the coal shortage and the resulting shortage of energy was met from the market and other IPPs which is justified.

- 377.** The Commission would now examine the power procurement costs. The main power suppliers to the DISCOMS are APGENCO, the State power generating company, central generating stations (CGS), private developers of non-conventional power plants, and a few IPPs. The payments to all these generators are governed by the PPAs and the tariffs approved by the appropriate Commission. As stated by one of the objectors, the payments to APGENCO have to be made in accordance with the tariff orders issued by the Commission for the respective stations. The payments to the CGS have to be made in accordance with the orders issued by the CERC for the respective stations. Similarly, the payments to NCE developers and IPPs have to be made as per the PPAs and tariffs approved by the Commission. In respect of thermal stations, the payment of fixed costs is based on cumulative normative availability achieved and variable costs are as per the norms approved by the appropriate Commission. One of the objectors opposed the payment of full fixed costs even though there is less generation from some stations, particularly RTPP-IV of APGENCO and APPDCL. The DISCOMS while furnishing replies to the objectors have stated that they paid fixed costs corresponding to the reduced availability. The Commission has examined the details of the cumulative availability of all APGENCO stations that were furnished to the objectors also and found that the cumulative availability of RTPP Stage I, III, and IV and APPDCL is less than the normative availability. In respect of all other thermal stations, the cumulative availability is above the normative availability. In this regard, OP.No. 43 of 2020 was filed by APPDCL before the Commission for adjudication of a dispute relating to the fixed costs payable to APPDCL due to the diversion of coal from RTPP to APPDCL under the Flexi Coal Scheme. The O.P. is pending. Hence, keeping in view the financial quagmire of the DISCOMS and pendency of the above OP, the Commission accepts the payments made to all APGENCO stations as filed in the petitions as per the tariffs approved for the respective stations. However, after the Commission disposes of above O.P., the DISCOMs are directed to make available the actual details of fixed cost payments made to APPDCL and RTPP-I & III for FY2019-20 based on the actual cumulative availabilities to adjust the variations resulting on account of the above payments in the order on the immediate FPPCA quarterly filings. In respect of CGS, the CERC has not issued tariff orders for FY2019-24 for any of the thermal stations that are supplying power to APDISCOMS except in respect of Ramagundam Stage-III so far. On examination of the fixed costs payments to all the CGS with reference to the Commission's RST Order for FY2021-22 in the absence of any reference, the fixed costs paid in respect of Simhadri Stage-

I, NTPC Kudgi stage-I, and NTECL Valluru are found to be excessive and the DISCOMS have stated that the variations in the fixed costs compared to FY2021-22 are more as the capacities availed from the said stations were high during FY2019-20. The Commission therefore accepts the fixed costs made to CGS as filed and directs the DISCOMs to make available the details of the actual fixed cost payments to CGS based on the cumulative availabilities after the CERC issues the final tariff orders for the respective stations for FY2019-24 in order to adjust the resulting variations in the order on the immediate FPPCA quarterly filings. On examination of the per unit variable costs filed in the petitions for all the thermal stations, these costs are found to be abnormal in respect of RTPP-IV and two CGS. The same appears due to the loading of the past costs as per the information furnished by the DISCOMs subsequently. To sum up on this aspect the decision of the Commission. All the payments to NCEs are claimed as per the PPAs and there are Rs.465 Cr. provisions in payments. One of the objectors requested the Commission to consider Rs.2.43 Cr. and Rs.2.44 per unit in respect of wind and solar respectively for finalization of the true-up. However, in view of the Hon'ble High Court Judgment dated 15.03.2022, the Commission has no option except to accept the claims of the DISCOMS in respect of NCEs in toto. The excess payments to gas IPPS were adjusted in the PP cost of FY2020-21 as per the information furnished subsequently by the DISCOMS. Further, the per unit power purchase cost from the market is less than that approved in the RST Order for FY 2019-20. Hence, the same is accepted without any adjustments.

The D-D transactions between APSPDCL and APEPDCL are primarily due to the allocation of the NCE sources on a geographical basis after the issuance of the RST order by the Commission. The same are verified and found to be justified.

As regards the adjustment of UDAY amounts received from the GoAP as pointed out by some of the objectors, the amounts received by the APSPDCL are for the FY2018-19 towards total loss and the Commission has not determined total true-up of retail supply business for 3rd control period except the variations in power purchase costs and distribution costs. Therefore, the Commission would consider the same as and when the total true-up for the retail supply business is taken up for the 3rd control period.

As regards the data insufficiency in the filings and audit reports as pointed out by the objectors, the DISCOMS are already directed to place all the regulatory information on their websites through a separate proceeding of the Commission. Further, Regulation 1 of 2022 notified by the Commission recently mandates many transparency measures on short-term power purchases. **However, the DISCOMS are directed to place the details in their websites of the power purchase costs station-wise along with the details of the availability, PLFs, total capacity and**



**their share including appropriate notes wherever necessary in order to ensure transparency in power purchase costs and also for easy verification by the stakeholders.**

With regard to the backing down costs as pointed out by some of the objectors, the fixed cost payments to thermal generators shall be made as per their availability based on norms. Any lesser despatches from these stations due to lower demand during some periods of the year and also to accommodate the NCE generation due to its must-run status cannot be construed as baking down costs. The DISCOMS are expected to furnish the replies carefully in this regard as there are no separate backing down costs since the same are already subsumed in the fixed costs. The must-run status to NCE generation has been granted due to its environmental friendliness and it is to be harnessed as and when available due to storage systems not being economical yet. The backing down costs arise only when an approved source is paid fixed costs without utilizing it by procuring power from other sources at a higher price than the variable cost of the source not despatched.

As regards the request of one of the objectors for an amendment to MYT tariff regulations, the same is under the examination of the Commission.

Accordingly, the Commission has approved the true-up costs for FY2019-20 in respect of APSPDCL and APEPDCL as Rs.1286.65 Cr and Rs.415.56 Cr. respectively. The details of the true-up cost claims and that approved by the Commission station wise are shown in the Annexures 1,2 & 3.

As the APCPDCL has been carved out from APSPDCL w.e.f. FY2020-21, the true-up amount determined in this order in respect of APSPDCL is shared between them in accordance with the power sharing ratios specified in the government order. Accordingly, the share of APSPDCL in the true-up is Rs.815.81 Cr. and that of APCPDCL is Rs.470.84 Cr. out of the total true-up amount of Rs.1286.65 Cr. approved for FY2019-20 for the erstwhile APSPDCL.

#### **Admissibility of the Claims on carrying cost in respect of the variations in power purchase cost**

**378.** The Commission has examined the following regarding the delays in the filings:

True-up	Date of filing to be made as per the Regulation	Actual date of filing by the DISCOMs		Date of Finalisation of Annual Accounts	
		SPDCL	EPDCL	SPDCL	EPDCL
FY 2019-20	30.11.2020	07.01.2021	04.01.2021	26.12.2020	08.12.2020

As could be seen from the above table, the delay in filings is about one month. The Commission condones the delay as it is satisfied with the reasons furnished for the delay by the DISCOMS. The DISCOMS are eligible to claim the carrying costs from the due date if they file the claims on the due date as per the regulations. As there is about one month delay, the Commission allows the carrying cost from the actual date of filing only at SBI MCLR rate for one year tenor, i.e., @ 7 percent per annum.

Accordingly, the approved true-up amounts along with carrying costs in respect of the three DISCOMS are shown in the table below:

**Table 11: True-up amounts approved by the Commission for FY2019-20**

Particulars	APSPDCL	APEPDCL	APCPDCL	Total
<b>True-up amount</b>	815.81	415.56	470.84	1702.21
<b>Interest</b>	71.38	36.36	41.20	148.94
<b>Total</b>	887.19	451.92	512.04	1851.15

- 379.** The above true-up amounts are added in the ARR to be determined for FY 2022-23 as per the regulation. The apprehensions of many objectors, particularly Arcelor Mittal Nippon Steel, that they shall not be collected from the consumers separately are addressed.
- 380.** As discussed in the supra, the agl. subsidies received by APSPDCL and APCPDCL from the government are to be adjusted to match with their actual agricultural sales. The subsidies to be returned to the GoAP corresponding to the reduction in the agricultural sales are given in the table below:

**Table 12: Subsidy to be returned to the GoAP for FY2019-20**

FY 2019-20	APCPDCL	APSPDCL	Total
Agriculture Sales - Approved	3476.921	6024.279	9501.200
Agriculture Sales – Actual	3271.047	5667.573	8938.620
Difference in sales	205.874	356.706	562.580
Rate per unit	6.080	6.080	12.160
Subsidy to be returned to the GoAP	125.171	216.878	342.049

Similarly, a subsidy of Rs.204.82 Cr. Received from the Government of Andhra Pradesh by APEPDCL for the additional quantum of agricultural sales is to be adjusted as the total sales are considered for determination of true-up in this order in respect of APEPDCL. These subsidy adjustments are made while arriving at the total revenue gap in chapter VII: Revenue Gap to be communicated to the GoAP.



## CHAPTER - XIV

### Power Purchase Cost Variations for FY2020-21

In the matter of

**TARIFF DETERMINATION FOR RETAIL SALE OF ELECTRICITY DURING FY2022-23  
and True-up of Retail Supply Business for FY2020-21**

in

**O.P.No.122 of 2021**

**Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)**

**O.P.No.123 of 2021**

**Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)**

and

**O.P.No.124 of 2021**

**Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL)**

#### Introduction

**381.** In this Chapter, the Commission proposes to deal with the power purchase cost variations relating to Retail Supply Businesses of APSPDCL, APEPDCL, and APCPDCL (In short, the DISCOMS) for FY2020-21 based on their respective filings, after considering the views/ objections/suggestions submitted in writing and expressed orally during the public hearings on various items of the claims and the views expressed by the members of the State Advisory Committee.

#### The DISCOMS' Filings for FY2020-21

**382.** The True-up claims of APSPDCL are shown below:

**Table 13 : True-up claims of APSPDCL for FY2020-21**

S.No.	Items	Rs Cr
A	Power Purchase True-down	-869.45
B	Other ARR items of Retail Supply Business True-down	-402.2
C	ARR Items of Distribution Business True-up	618.1
D	Revenue True-Up	-1393.97
E	Net True-Up	740.42
F	Carrying Cost @ 12% Interest	88.85
G	Total True Up (E+F)	829.27

383. The True-up claims of APCPDCL are shown below:

**Table 14 : True-up claims of APCPDCL for FY2020-21**

S.No.	Particulars	Rs Cr
A	Power Purchase True-down	-377.52
B	Other ARR items of Retail Supply Business True-down	-274.33
C	ARR Items of Distribution Business True-down	-124
D	Revenue True-Up	-881.79
E	Net True-Up	105.94
F	Carrying Cost @ 12% Interest	12.7128
G	Total True Up (E+F)	118.6528

384. The True-up claims of APEPDCL are shown below:

**Table 15 : True-up claims of APEPDCL for FY2020-21**

Sl. No.	Revenue Requirement Item	Approved in the RST order for FY2020-21 (Cr.)	Actual expenditure for FY2020-21 (Cr.)	Variation (Cr.)
1	Transmission Cost	680.12	637.07	-43.05
2	SLDC Cost	20.27	21.43	1.16
3	Distribution Cost	2091	3016.81	925.81
4	PGCIL Expenses	579.03	381.69	-197.34
5	ULDC Charges	1.6	5.69	4.09
6	<b>Network and SLDC Cost (1+2+3+4+5)</b>	<b>3,372.02</b>	<b>4,062.69</b>	<b>690.67</b>
7	Power Purchase/Procurement Cost	11598.07	9912.84	-1685.23
8	Additional interest on Pension bonds of APGENCO	315.8	333.77	17.97
9	Interest on Consumer Security Deposits	123.83	74.04	-49.79
10	Supply Margin in Retail Supply Business	14.87	12.55	-2.32
11	Other Costs, if any	75.12	123.6	48.48
12	<b>Supply Cost (7+8+9+10+11)</b>	<b>12,127.69</b>	<b>10,456.80</b>	<b>-1,670.89</b>
13	Cost of FY 19-20 adjusted	67.64	0.00	-67.64
14	<b>Aggregate Revenue Requirement (6+12-13)</b>	<b>15,432.07</b>	<b>14,519.49</b>	<b>-912.58</b>
15	<b>Total Revenue (16+17+18)</b>	<b>12,618.63</b>	<b>11,255.87</b>	<b>-1,362.76</b>
16	Revenue from Current Tariff (Net of Incentives)	12134.85	10772.96	-1361.89
17	Non-Tariff Income	431.11	424.28	-6.83
18	Revenue from Trading/CSS	52.67	58.63	5.96
19	<b>Revenue Deficit/Gap (15-14)</b>	<b>-2,813.44</b>	<b>3,263.62</b>	<b>450.18</b>
20	Provisional true down for FY 2020-21 adjusted in FY 2021-22 TO			1515.99
21	<b>Total True-Up Arrived</b>			<b>1,966.17</b>

- 385.** The DISCOMS have also furnished the details of sales variations and the estimations of power purchase requirements to be considered for arriving at the actual power purchase costs.

#### **Objections/Views/Suggestions**

- 386.** Sri M. Venugopal Rao and 13 others have stated, among other things, that the Commission approved a provisional true down of Rs.3,373 Crores for FY2020-21 in the Retail Supply Tariff Order for FY2021-22 which is the result of adopting the interim tariffs for wind and solar plants as per the order of High Court. That the DISCOMS have not submitted their true-up claims for FY2020-21 and the details of the quantum of power backed down and fixed charges paid to APERC. In spite of the reduction in power purchase costs and sales, DISCOMS claimed true-up amounts for FY2020-21. That all the DISCOMS have claimed excess distribution cost over the approved figures. That APSPDCL didn't show any revenue from the sale of the renewable energy certificates against Rs.718.05 crore approved by the Commission. That true-up/true-downs for distribution business are not permissible under provisional true-up and carrying cost needs to be considered for permissible true-up only.

**DISCOMS' Response:** That the decrease in power purchase cost in FY 2020-21 is due to the reduction in the quantum of power purchase to the extent of 8700 MU because of the Covid-19 pandemic effect and also due to the various measures taken by them such as purchasing power at low prices in the exchanges, etc. That they have included true-up claims for FY2020-21 in ARR filings for FY 2022-23. That because of the power purchases from the market at lower prices during FY2020-21, they were able to save power purchase costs to the extent of Rs 963 Crores. That out of the approved total Power Purchase cost of Rs 31,346 Crores for FY2020-21, the DISCOMS have incurred Rs. 26,421 Crores only, thus achieving an overall saving of Rs 4,925 Crs in FY 2020-21. That out of this saving, APERC has already deducted a provisional true-down of Rs 3,373 Crores from the ARR for FY2021-22. That RE plants have been allocated on a geographical basis vide GO Rt No. 116, dated 01-10-2019 resulting in the concentration of most of these plants in the APSPDCL area, and accordingly, power was purchased from them. Regarding the increase in O&M expenses, APSPDCL has stated that the reason for the increase is due to making a provision towards future terminal benefits of the employees in FY2020-21 and APEPDCL replied that the O&M expenses have increased due to adverse comments in the statutory audit on short provisioning of admitted Pension and Gratuity Liability that may arise after 2029. APSPDCL stated that necessary information for getting RE Certificates for the FY2019-20 and FY 2020-21 were not submitted to the Commission earlier due to court cases and the same is now being processed. The DISCOMS requested the

Commission to consider true-up for distribution business as well in view of the adverse financial situation faced by them due to the covid-19 pandemic during FY2020-21.

**387.** FAPCCI and SICMA have stated, among other things, that as per Clause 22 of the APERC Regulation 4 of 2005, Review of Distribution Licensees' performance is to be undertaken after the end of the Control Period. However, the DISOMS have not provided any justification for filing the true-up of distribution business on an annual basis and have thus deviated from the MYT Principles. Hence, the objectors requested the Commission not to allow distribution business items in the true-up for FY2020-21. Further FAPCCI has stated:

- i. That there is a significantly lower dispatch by the DISCOMS from APGENCO hydel stations in FY2020-21 and no explanation/rationale has been provided for the same.
- ii. That the actual energy loss levels are higher than the normative loss levels approved by APERC in the tariff order. Hence, the objectors requested the commission to disallow the power purchase cost of Rs.67.73 Crores corresponding to the energy loss of 157.53 MU.
- iii. That the power purchase quantum stated in the filings is not matching with the actuals as per the Audited accounts in respect of all DISCOMS.
- iv. That DISCOMS claimed Other Costs to the tune of Rs. 200.63 Crores in the true-up for FY2020-21 against Rs.162.88 Crores approved in the Tariff Order. That from the Audited Accounts of APEPDCL for FY 2020-21, the objectors observed that the actual 'Other Costs' are Rs.15.14 Crores only as against APEPDCL's claim of Rs 123.60 Crores. That APEPDCL has not provided the details/justification for the claimed amounts and the justification for the deviation and permissibility for paying such a huge amount. That the compensation for electrical accidents should not be allowed as part of ARR/True-up as it promotes inefficiency.
- v. That DISCOMS have either understated the NTI (Non-Tariff Income) figures (APEPDCL) or did not deduct the NTI at all (APSPDCL and APCPDCL) from the True-up claims. The objectors furnished their workings on NTI.
- vi. That there is a mismatch in the amount of revenue claimed by the DISCOMS and the actuals as per Audited Accounts. The reason for the mismatch is the inclusion of DISCOM to DISCOM sale.
- vii. That the Commission approved Rs 718 Crores from the sale of Renewable Energy Certificates (REC) for FY 2020-21. Despite being an RE-rich state, the DISCOMS have failed to register any income from the sale of RECs.

- viii. That subsidy from the GoAP (including the UDAY grant) to the tune of Rs. 11,175.34 Crores, as per the Audited Accounts, has not been reduced from the true-up for FY 2020-21. Therefore, the objectors requested the Commission to reduce the subsidies and grant the True-up/ARR as the same is consistent with the practices of all the State Commission.
- ix. That as per the Audited Accounts of APEPDCL, the Power Purchase Cost includes Late Payment Surcharge amounting to Rs. 82.72Crores which ought to be disallowed as it is penal in nature and linked to DISCOMs' inefficiency.
- x. During the public hearing on 25.01.22, FAPCCI has stated that the grants that have been received by the DISCOMS have not been accounted for in the True-up
- xi. **DISCOMS' Response:** The DISCOMS have requested the Commission to consider true-up for distribution business as well in view of the adverse financial situation due to the covid-19 pandemic during FY2020-21. They further stated that Hydropower was completely dispatched as per the availability furnished by APGENCO. The power purchase quantity for true-down is arrived at as per clause 12.5 of Regulation 1 of 2014 notified by APERC. APSPDCL has stated that the power purchase adjustments for FY 2019-20 have been factored in the power purchases of FY 2020-21 which caused the mismatch. As per APEPDCL, the figure quoted by the objectors under audit reports is the input energy, not power purchase MU. That the actual PP quantum as per Annual reports for FY 2020-21 matches with the figure in the filings. APCPDCL replied similarly as APEPDCL. The DISCOMS have stated that non-tariff income has been filed as per the annual reports. APEPDCL and APCPDCL have stated that APSPDCL is supplying its surplus energy to the remaining two DISCOMs to meet their shortfall. That DISCOM to DISCOM transactions need to be treated as an adjustment in the power procurement activity and not as a sale. APSPDCL has stated that the sale of RE Certificates pertaining to FY 2018-19 is held up due to court cases and the matter is subjudice. Further, for the subsequent FYs 2019-20 and 2020-21, necessary information towards getting RE Certificates was not furnished to the Commission, and the same is now being processed. APEPDCL has stated that late payment surcharges are being paid as per the terms and conditions of the PPAs. Therefore, they are part of the PP costs and should be allowed.

**388.** Sri S.Pratap, APSEBAEEA stated that the Commission disallowed the revenue true-up of DISCOMS as there is no enabling provision for such true-up as per Regulation 4 of 2005. That DISCOMS are making their best efforts to arrive at the sales and revenue forecasts but the deviations in sales, revenue, and expenditure are bound to

happen because of various socioeconomic reasons such as inflation, price changes in national and international markets, seasonal variations, etc. Hence, he requested the Commission to allow the revenue true-up as allowed by various SERCs. That except for the power purchase expenses, the Commission disallowed the remaining expenses for the 3rd control period. That the variations in expenses pertaining to APTRANSCO and APSLDC are being determined after the completion of the respective control periods and the same are being allowed in the tariffs of the next control period. That the variations in PGCIL and ULDC expenses were not factored either in the DISCOMS' annual power purchase true-ups or in the Distribution true-ups pertaining to the third control period.

**DISCOMS' Response:** The DISCOMS have stated that they noted the suggestions and that the matters are under the purview of APERC.

- 389.** Sri B. Tulasidas requested the commission not to allow True-up charges. Sri Ch. Gangaiah stated that True-up charges should not be levied on consumers.

**DISCOMS' Response:** That they have filed true-up charges as per APERC regulation 1 of 2014.

- 390.** Sri Kandergula Venkata Ramana stated that instead of collecting true-up charges at one go, they should be collected over a period of time. That the true-up charges included in CC bills would create difficulties for persons residing in rented houses. Hence, he suggested that steps should be taken to collect additional electricity charges from time to time like a dynamic billing system in the matter of collecting true-up charges.

**DISCOMS' Response:** APEPDCL has stated that in place of yearly true-up of power purchase costs, FPPCA on a quarterly basis has been introduced. That it may not be possible to prepare Dynamic Billing of True-up costs, as there is no way to finalize the Power Purchase Prices on an immediate basis.

### **COMMISSION'S VIEW/ANALYSIS AND DECISION**

- 391.** True-up or True-down is inevitable in reality. The tariffs are determined as per estimates and hence they have to be compared with the actuals once they are finalized as per the audit reports. The relevant regulations applicable for the true-up are regulation 4 of 2005 and regulation 1 of 2014 and the extracts of the same are shown in Chapter XIII while dealing with True-up for FY2019-20 and hence the same are not repeated here for the sake of brevity. As regards the true-up of costs, the regulations in vogue allow for the passing of variations in costs in respect of power purchases, uncontrollable items, controllable items having uncontrollable factors on a yearly basis based on the audited accounts. However, the DISCOMS in their annual filings

during the Control Period shall present gains and losses for each controllable item of the Aggregate Revenue Requirement after adjusting for any variations on account of uncontrollable factors. The gains or losses of controllable items of ARR on account of factors that are beyond the control of the Distribution Licensee - force majeure - shall be passed on as an additional charge or rebate in ARR as decided by the Commission. While granting permission to annual filings for retail supply business for FY2022-23, the Commission vide proceedings dated 27.11.2021 had directed the DISCOMS to present the variations in all controllable items along with power purchase cost variations for FY2020-21. Accordingly, the DISCOMS have presented to the Commission the variations in all the ARR items applicable for FY2020-21 along with power purchase cost variations. The summary of the variations in all the items of the ARR for each DISCOM and the three DISCOMS put together are shown in the table below:



**Table 16: True-up Analysis for FY2020-21 (Three DISCOMs)FY 2020-21 True-up Analysis**

Sl. No.	Revenue Requirement Item (Rs. Crs.)	APCPDCL			APEPDCL			APSPDCL			Total		
		App.	Act.	diff.	App.	Act.	diff.	App.	Act.	diff.	App.	Act.	diff.
1	Transmission Cost	477.35	410.17	<b>-67.18</b>	680.12	637.07	-43.05	827.23	708.6	-118.63	1984.7	1755.84	-228.86
2	SLDC Cost	7.89	13.81	<b>5.92</b>	20.27	21.43	1.16	13.67	23.93	10.26	41.83	59.17	17.34
3	Distribution Cost	1528.8	1404.8	<b>-124</b>	2091	3016.81	925.81	2650	3268.1	618.1	6269.8	7689.71	1419.91
4	PGCIL Expenses	406.36	247.3	<b>-159.06</b>	579.03	381.69	-197.34	704.21	424.41	-279.8	1689.6	1053.4	-636.2
5	ULDC Charges	1.08	3.68	<b>2.6</b>	1.6	5.69	4.09	1.86	6.37	4.51	4.54	15.74	11.2
6	<b>Network and SLDC Cost (1+2+3+4+5)</b>	<b>2,421.48</b>	<b>2,079.76</b>	<b>-341.72</b>	<b>3,372.02</b>	<b>4,062.69</b>	<b>690.67</b>	<b>4,196.97</b>	<b>4,431.41</b>	<b>234.44</b>	<b>9,990.47</b>	<b>10,573.86</b>	583.39
7	Power Purchase / Procurement Cost	7,210.94	6,347.00	<b>-863.94</b>	11,598.07	9912.84	-1,685.23	12537	10297.56	-2239.44	31,346.01	26,557.40	-4,788.61
8	Additional interest on Pension bonds of APGENCO	221.65	221.65	<b>0</b>	315.8	333.77	17.97	383.35	383.35*	0	920.8	938.77	17.97
9	Interest on Consumer Security Deposits	79.65	51.87	<b>-27.78</b>	123.83	74.04	-49.79	103.18	67.22	-35.96	306.66	193.13	-113.53
10	Supply Margin in Retail Supply Business	13.34	13.34	<b>0</b>	14.87	12.55	-2.32	23.19	22.22	-0.97	51.4	48.11	-3.29
11	Other Costs, if any	43.82	14.99	<b>-28.83</b>	75.12	123.6	48.48	43.94	62.34	18.4	162.88	200.93	38.05
12	<b>Supply Cost (7+8+9+10+11)</b>	<b>7,569.40</b>	<b>6,648.85</b>	<b>-920.55</b>	<b>12,127.69</b>	<b>10,456.80</b>	<b>-1,670.89</b>	<b>13,090.66</b>	<b>10,832.69</b>	<b>-2,257.97</b>	<b>32,787.75</b>	<b>27,938.34</b>	-4,849.41
13	Cost of FY 19-20 adjusted	79.24	79.24	<b>0</b>	67.64		-67.64	137.74	137.74	0	284.62	216.98	-67.64
14	<b>Aggregate Revenue Requirement (6+12-13)</b>	<b>9,911.64</b>	<b>8,649.37</b>	<b>-1,262.27</b>	<b>15,432.07</b>	<b>14,519.49</b>	-912.58	<b>17,149.89</b>	<b>15,126.36</b>	<b>-2,023.53</b>	<b>42,493.60</b>	<b>38,295.22</b>	-4,198.38
15	<b>Total Revenue (16+17+18+19)</b>	<b>8279.75</b>	<b>7397.96</b>	<b>-881.79</b>	<b>12618.63</b>	<b>11255.87</b>	-1362.76	<b>11534.51</b>	<b>10140.54</b>	-1393.97	<b>32432.9</b>	<b>28794.37</b>	-3638.53
16	Revenue from Current Tariff (Net of Incentives)	8254.58	7032.71	<b>-1221.87</b>	12134.85	10772.96	-1361.89	10749.45	10047.6	-701.85	31138.88	27853.27	-3285.61
17	Non Tariff Income	0	338.59	<b>338.59</b>	431.11	424.28	-6.83			0	431.11	762.87	331.76
18	Revenue from Trading/ CSS	25.17	26.66	<b>1.49</b>	52.67	58.63	5.96	67.01	92.94	25.93	144.85	178.23	33.38
19	Income from sale of RECs							718.05	0	-718.05	718.06	0	-718.06
20	<b>Revenue Deficit/Gap (15-14)</b>	<b>-1,631.89</b>	<b>-1,251.41</b>	<b>-380.48</b>	<b>-2,813.44</b>	<b>-3,263.62</b>	450.18	<b>-5,615.38</b>	<b>-4,985.82</b>	-629.56	<b>-10,060.70</b>	<b>-9,500.85</b>	-559.85
21	<b>Provisional true down for FY 2020-21 adjusted in FY2021-22</b>			<b>486.43</b>			<b>1515.99</b>			<b>1370</b>			<b>3372.42</b>
22	True-Up			105.95			1,966.17			740.44			2,812.57
23	carrying cost			12.71			0			88.85			101.56
24	<b>Total True-Up</b>			<b>118.66</b>			<b>1,966.17</b>			<b>829.29</b>			<b>2,914.12</b>

i. Presumed for computations

**392.** As can be seen from the above table, the total true-up amount arrived at is Rs.2914.12 crores after accounting for the variations in all the items of ARR. It is also observed that there are significant variations in the distribution costs and revenue on the positive side despite a significant reduction in power purchase costs. The significant reduction in power purchase costs is primarily due to the reduction of sales during the covid pandemic and also savings in power purchase costs due to the purchases from the market at low prices as stated by the DISCOMS.



- 393.** The Commission is not inclined to accept the variations in revenue and other items of the ARR as the regulations in vogue do not permit the same and hence decides not to express its views on the objections and the DISCOMS' replies relating to these items. However, the DISCOMS are at liberty to file separate petitions with full details seeking a remedy for recovery of the excess costs in accordance with the procedure prescribed by APERC Regulation 4 of 2005 and the direction of the Commission at para no. 109 of the wheeling order dated 15.04.2019, if the actual recovery of revenue through Distribution Tariffs is less than the actual cost by more than 10 percent. The Commission, upon examination of these details, may pass an appropriate Order or show the ways and means to address the issue of the under recovery of the costs.
- 394.** In view of the above, the Commission is inclined to examine only the variations in power purchase costs for FY2020-21 as detailed in the following paragraphs.
- 395.** To begin with, the power purchase costs filed in the petitions and the power purchase costs stated in the books of accounts are examined as shown in the table below:

<b>Sl. No.</b>	<b>DISCOM</b>	<b>Power purchase cost shown in audited books for FY2019-20 (Cr.)</b>	<b>Allowable Power purchase cost shown in true-up filings for FY2019-20 (Cr.)</b>
1	EPDCL	9912.85	9912.84
2	SPDCL	10377.58	10297.56
3	APCPDCL	6346.99	6346.64

As could be seen from the above, the power purchase cost claims of the DISCOMS are less than or at the same level as that stated in the audit books.

- 396.** For prudent check, the Commission has verified the power purchase costs filed by the DISCOMS as detailed below:
- 397.** The Commission has verified the sales and the power purchase requirement to be considered for true-up as per the regulation which are shown in the table below:

**Table 17: Power Purchase requirement for FY2020-21**

S.No.	Description	2020-21			
		CPDCL	EPDCL	SPDCL	TOTAL
1	Agl sales as per Audit Report (MU)	1930.1	2276.69	6663	10869.79
2	Agl sales as per Commission order (MU)	2131.06	2399.41	7703.88	12234.35
3	Difference Agl sales (MU) (1-2)	-200.96	-122.72	-1040.88	-1364.56
4	Total sales as per Audit Report (MU)	12719.91	20416.44	21460.2	54596.55
5	Total sales as per Tariff order (MU)	14471.92	23332.02	24014.65	61818.59
6	Total actual sales as per true-up filing (MU)	12715.1	20416.44	21460.25	54591.79
7	Approved losses (%) in RST Order	10.87%	9.28%	10.87%	10.28%
8	Power purchase on total actual sales at the approved loss	14265.79	22504.89	24077.47	60848.16
9	Actual power purchase as per the true-up filings	14220.84	22445.25	23248.27	59914.36

As can be seen from the above table, the total actual agricultural sales are less than that approved. Similarly, the total sales are also significantly less than the approved sales due to the COVID-19 pandemic. The actual quantum of power purchase for each DISCOM as per the filings is less than the quantum of power purchase arrived at by grossing up the actual sales with the approved losses. Hence, the Commission accepts the power purchase quantum filed by the DISCOMS in accordance with the regulation in order to pass on the benefit of the corresponding reduction in power purchase costs to the consumers.

- 398.** Accordingly, the source wise variations in despatches, power purchase costs corresponding to the above power purchase quantum are examined for the three DISCOMs put together as they made combined purchases. The power purchase costs DISCOM wise are shown in the annexures-7,8&9. The summary of the details for the three DISCOMS put together is shown in the table below:

**Table18 : Summary of Energy Despatches and Power Purchase Cost for FY2021-22 (Three DISCOMs)**

Total for three DISCOMS												
Source	Energy (MU)			Fixed Cost (Cr)			Variable Cost (Cr)			Total Cost (Cr)		
	Approved	Actual	Variance	Approved	Actual	Variance	Approved	Actual	Variance	Approved	Actual	Variance
AP GENCO Thermal	13,251	8830	-4422	1,662	1662	0	4,558	2962	-1597	6,220	4624	-1596
RTPP Stage-IV	2,351	811	-1,540	423	841	418	860	258	-603	1,284	1,099	-185
NTTPS V Stage	2,233	0	-2233	402	0	-402	701	0	-701	1,103	0	-1103
<b>AP GENCO Thermal Total</b>	<b>17,835</b>	<b>9,641</b>	<b>-8,194</b>	<b>2,487</b>	<b>2,503</b>	<b>16</b>	<b>6,120</b>	<b>3,219</b>	<b>-2,901</b>	<b>8,606</b>	<b>5,722</b>	<b>-2,884</b>
AP GENCO Hydel	3,169	3,810	641	601	601	-1	0	0	0	601	601	-1
APPDCL	12,625	6,791	-5,834	2,446	1,316	-1,130	3,964	2,132	-1,832	6,410	3,448	-2,962
CGS	11,199	10,481	-718	1,524	1,443	-82	3,430	3,084	-346	4,955	4,527	-428
JNNSM Ph-1 Thermal	106	175	69	18	0	-18	42	78	36	60	78	18
JNNSM Ph-2 Thermal	4,305	1,796	-2,509	727	0	-727	1,309	774	-534	2,036	774	-1,262
GGPP	795	622	-174	63	25	-38	175	144	-31	238	169	-69
APGPCL	87	136	49	9	14	5	19	32	13	28	46	18
KSK Mahanadi	2,784	941	-1,843	418	156	-262	771	258	-513	1,189	414	-774
Sembcorp (TPTCL)	1,605	1,621	17	265	281	17	361	601	240	626	882	256
NCE	14,392	12,818	-1,574	0	1	1	6,597	5,898	-699	6,597	5,898	-699
EPDCL Purchase from SPDCL	3,573	4,982	1,409	0	0	0	1,683	2,240	557	1,683	2,240	557
SPDCL sale to EPDCL & CPDCL	-2,268	-7,896	-5,628	0	0	0	-1,068	-3,553	-2,485	-1,068	-3,553	-2,485
CPDCL Purchases from SPDCL	-1,305	2,914	4,219	0	0	0	-614	1,313	1,928	-614	1,313	1,928
Hinduja National power corporation	0	1,064	1,064	0	0	0	0	407	407	0	407	407
Short term purchases	0	10,306	10,306	0	0	0	0	3,605	3,605	0	3,605	3,605
Other adjustments	0	-287	-287	0	6	6	0	-20	-20	0	-15	-15
<b>Total</b>	<b>68,902</b>	<b>59,914</b>	<b>-8,987</b>	<b>8,558</b>	<b>6,344</b>	<b>-2,213</b>	<b>22,788</b>	<b>20,213</b>	<b>-2,576</b>	<b>31,346</b>	<b>26,557</b>	<b>-4,789</b>

As could be seen from the table above, the actual sales are less than the approved quantum and correspondingly the actual despatches are also less than that approved in the RST order due to the COVID-19 pandemic. There are significant under despatches from APGENCO, APPDCL, JNNSM phase II thermal, KSK Mahanadi, and NCE sources. At the same time, the despatches from the Hinduja and Market sources have increased significantly. The reduction in despatches from the APPDCL plant is due to the coal shortages as stated by the DISCOMS. The reduction in despatches from the above mentioned sources have been met by the DISCOMS from Hinduja and Market sources. The payments to the Hinduja were made at the interim tariff approved by the Commission. The per unit weighted average price of power from the Market is near to the per unit weighted average variable cost of power from APGENCO thermal stations. The provisional cumulative availabilities furnished by the APSLDC for FY2020-21 show that the availabilities achieved by all the stations of APGenco are

above the norms during FY2020-21. Hence, the question of the reduction of fixed cost payments to these stations does not arise. However, the cumulative availability details of APPDCL were not furnished by the DISCOMS. Hence, they are directed to submit these details along with the fixed costs paid to APPDCL in the FPPCA proposals for the fourth quarter of FY2021-22. In respect of the CGS, as the CERC has not issued tariff orders for FY 2019-24 for any of the CGS (except Ramagundam Stage III) that are supplying power to the DISCOMS, the licensees are directed to include all the variations related to power purchase costs in respect of CGS in the next immediate FPPCA proposals after CERC issues the tariff orders for these stations. During the FY 2020-21, the DISCOMs considered provisional tariff rates of Rs.2.43/unit and Rs.2.44/unit for making payments to most of the wind and solar power plants based on the interim orders of the Hon'ble High Court of AP. However, the Hon'ble High court vide judgement dated 15.03.2022 directed the DISCOMS to make payments to these plants as per the PPA rates. Therefore, the Commission has considered the PPA rates for these plants while arriving at the true-down amounts. The Commission accepts the per unit weighted average price of power from the market filed by the DISCOMS as the same is well below the per unit ceiling price fixed in the RST Order for FY2020-21. The inter DISCOM transactions have been verified and found to be in order. The DISCOMS have also passed on adjustment of FY2019-20 in the FY2020-21 and the same was verified and found that there is a discrepancy in the variation filed by APCPDCL as shown in the table below.

**Table 19: FY2019-20 adjustments in FY2020-21 - APCPDCL**

<b>Station No.</b>	<b>Station</b>	<b>Energy Purchased (MU)</b>	<b>Variable Cost (Rs Crs)</b>
1	AP GENCO SOLAR 400MW 2019-20 COST	286.79	83.47
2	NVVNL BUNDLED COAL 2019-20	5.80	7.27
3	NP KUNTA ULTRA AND SBG 2019-20	62.28	31.21
4	D To D Cost Adjustment for 2019-20	(338.07)	-186.63
5	SECI 2019-20	104.71	47.12
7	<b>Others 2019-20 Total</b>	121.51	(17.56)
8	<b>As per filings</b>	121.52	148.04
9	<b>Difference</b>	0.01	165.60

On interaction with APCPDCL, it has stated that the claim is as per the audit report and that the same will be examined once again with reference to the details furnished by the APPCC. In view of the huge true-down of power purchase costs for FY2020-21 and passing on of a significant portion of these costs by the DISCOMS to the consumers on a provisional basis during FY 2021-22, besides the above amount being small, it is not adjusted in the ARR for FY 2022-23 in order to provide one more opportunity to APCPDCL to justify its claim in this regard. Accordingly, the Commission directs APCPDCL to include the full details of the above variations along with the auditor certificate in the FPPCA proposal for the fourth quarter for FY2021-22 for taking an appropriate decision by the Commission in this regard.

As directed in the earlier chapter, the DISCOMS shall state the station wise details of power purchase costs with relevant notes in the audit books from FY2022-23 onwards. The backing down costs were already subsumed in the fixed cost payments to the generators and the matter was fully discussed in Chapter XIII.

As regards the RECs, APSPDCL may file an appropriate petition before the Commission to get these certificates as per its eligibility in view of the APTEL judgment and upon such filing, the Commission will pass an appropriate order after considering the views of all the stakeholders.

As regards the grants received from any agency, the Commission will examine the same at the time of true-up for retail supply business for the 4th Control period as and when the DISCOM files such petitions after completion of the control period.

Accordingly, the power purchase true down as approved by the Commission for FY2020-21 is shown in the table below:

**Table 20 : Power Purchase Cost True-down for FY2020-21**

Sl. No.	Item	APSPDCL	APEPDCL	APCPDCL	Total for three DISCOMS
1	PP cost True-down FY2020-21 (Cr.)	-2239.45	-1685.25	-864.33	-4789.03
2	Provisional amount already Trued down in FY2021-22 RST Order	-1370	-1515.99	-486.43	-3372.42
3=(1)-(2)	Net Power Purchase Cost true-down	-869.45	-169.26	-377.90	-1416.61

The above true down amounts are considered in the ARR to be approved for FY2022-23 in Chapter V of this order. The power purchase costs for each station and DISCOM wise are shown in the Annexures 7, 8 & 9.

As shown in the earlier paragraph in this chapter, the agricultural sales are less than the quantum that was approved in the RST Order for FY2020-21. Accordingly, the DISCOMS have to return the subsidy amounts to the GoAP corresponding to the said reduction in sales. The details of the subsidy amounts to be returned to the Government by the DISCOMS are shown in the table below:

**Table 21: Subsidy to be returned to the GoAP for FY2020-21**

FY 2020-21	<b>CPDCL</b>	<b>EPDCL</b>	<b>SPDCL</b>	Total
Agl sales as per the Audit Reports (MU)	1930.1	2276.69	6663	10869.79
Agl sales approved in the Commission's order (MU)	2131.06	2399.41	7703.88	12234.35
Difference in sales	200.96	122.72	1040.88	1364.56
Rate per unit(Rs/unit)	6.88	6.58	6.88	
Subsidy amounts to be returned to the GoAP (Rs.Cr.)	138.26	80.75	716.13	935.14

The above amounts that are to be returned to the GoAP have been considered while arriving at the final revenue gap for FY2022-23 in Chapter VII of this order.

**CHAPTER- XV**  
**Determination of the True-up for Distribution Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY 2018-19)**  
**O.P.Nos.34 & 41 of 2020**

**In the matter of Determination of the True-up for Distribution Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**

**in**

**O.P.No.34 of 2020**  
**Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)**

**and**

**O.P.No.41 of 2020**  
**Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)**

**Introduction**

- 399.** In this Chapter, the Commission proposes to deal with the True-up of Distribution Business for the 3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19) of APSPDCL and APEPDCL based on their filings.
- 400.** The Southern Power Distribution Company of Andhra Pradesh Limited (**APSPDCL**) and the Eastern Power Distribution Company of Andhra Pradesh Limited (**APEPDCL**) have filed petitions for true-up of their Distribution Businesses for the 3<sup>rd</sup> control period on 15.06.2020 & 14.09.2020 respectively. The petitions of APSPDCL and APEPDCL (In short “**the DISCOMs**”) were taken on the records of the Commission on 02.09.2020 & 28.09.2020 as O.P.No. 34 of 2020 and O.P.No. 41 of 2020 respectively.
- 401.** Separate Public Notices along with the copies of the respective petitions were placed on the website of the Commission inviting views/objections/suggestions from the interested parties/stakeholders. Further, it was informed in the Public Notices that O.P.No.34 of 2020 & O.P.No.41 of 2020 will be taken up for public hearing at 11.00 A.M. on 21.10.2020 and 04.11.2020 respectively through the web and any interested person/organization desirous of being heard in person, may appear before the Commission on the said dates of the public hearings. However, despite the placing of Public Notice on the website of the Commission, no objections were received in respect of O.P.No.34 of 2020 by the date of the first public hearing on 21.10.2020. Therefore, the Commission has provided one more opportunity to the stakeholders for submitting

their objections and accordingly adjourned the public hearing to 02.12.2020. In response, two objectors viz., Sri M. Venugopala Rao and Sri M.Thimma Reddy filed their views/suggestions/objections on both of the above petitions. O.P.No.34 of 2020 was finally heard on 27.01.2021 and O.P.No.41 of 2020 on 07.07.2021. As both the O.Ps involved identical issues, they were disposed of by the Commission by a common order dated 27.08.2021. A few consumers have assailed the validity of the True-up orders before the Hon'ble High Court of A.P. inter alia on the ground that the Commission has not issued notice through publication in newspapers as envisaged under Clause 13(5) of the A.P. Electricity Regulatory Commission (Conduct of Business) Regulation 1999. In the said context, the Commission has exercised its power of suo-motu review under Section 94(1)(f) of the Electricity Act 2003 r/w. Clause 49(1) of the APERC (Conduct of Business) Regulation 1999. On instructions from the learned Advocate General through an email to the Commission Secretary to the effect that the DISCOMs have no objection to this Commission suo-motu recalling the order and rehearing the matters after the publication of the same as per the extant Regulations, and to redress the grievances of the consumers and to put at rest the controversy on the aspect of correctness or otherwise of the procedure followed by it, the Commission has decided to recall the order dated 27.08.2021 in O.P. Nos. 34 and 41 of 2020 and hear the Petitions de novo after the publication of notices in the newspapers. Accordingly, the order dated 27.08.2021 was recalled, and the O.P. Nos. 34 and 41 of 2020 were restored to file for a de novo hearing.

- 402.** Post recalling of its earlier order, the Commission vide letter dated 06.10.2021 has directed APSPDCL & APEPDCL to publish notifications in newspapers to inform the public about their filing and the final public hearing date of 19.10.2021, and to invite views/objections/suggestions on the filings. In compliance with the directions of the Commission, the DISCOMs have published notifications in one (1) Telugu daily newspaper (in 'Sakshi' on 08.10.2021) and in one (1) English daily newspaper (in "DECCAN CHRONICLE" on 08.10.2021) - (Annexure-), informing the public about its filings and the date of final hearing through the web along with other relevant details. It was also informed in the notification that all the interested persons/associations/stakeholders/objectors may submit their written views/objections/suggestions in respect of the said filings before the date of the public hearing and those who want to be heard in person/through their authorized representatives may appear before the Commission on the said date of the public hearing through the web. Accordingly, the petitions came up for hearing through the web on 19.10.2021.



- 403.** Sri P. Shiva Rao, learned Standing Counsel for the utilities and (i) Sri. M. Venugopala Rao, Senior Journalist; (ii) Sri. Ch. Babu Rao, CPI (M); (iii) Sri. Shreekanth Vijay Dhuri, representing FAPCCI; (iv) Sri. K. Gopal Choudary, Advocate representing AP Textile Manufacturers Association & AP Ferro Alloys Producers Association; (v) Ms. Anannya Ghosh, Advocate representing M/s. ArcelorMittal Nippon Steel India Ltd; (vi) Sri. Yella Saibabu; (vii) Rajmohan A.G; (viii) Sri. Alladi Ravinder, Advocate (ix) Sri. Rajesh Gutta; (x) Sri. Shanmuga Mondelez; (xi) Sri. Potluri Bhaskar Rao representing AP Chambers & Industries Federation; (xii) Sri. Vijaya Gopala Reddy; (xiii) Sri. Arekapudi Chowdary; (xiv) Sri. Challa Gunaranjan, Advocate representing M/s. Rain Cements Ltd and 72 other objectors were present at the web hearing on 19.10.2021 and submitted their respective views/suggestions/objections. Sri P. Shiva Rao Standing counsel for the petitioners has requested the permission of the Commission to submit his responses to the submissions made by the learned Counsel / Objectors by 26-10-2021. The Commission gave him permission to file responses by 26.10.21, posted the matter for further hearing on 01.11.2021.
- 404.** During the web hearing on 01.11.2021, (i) Sri. P.S. Raman, Senior Advocate; (ii) Sri. Pattabhi Raghuram, Senior Advocate; (iii) Sri. M. Venugopala Rao, Senior Journalist; (iv) Sri. Manukonda Upendra Rao, Senior Advocate; (v) Ms. Anannya Ghosh, Advocate; (vi) Sri. K. Gopal Choudary, Advocate; (vii) Sri. C. Babu Rao, CPI (M); and (viii) Sri. T. Sreecharan, Advocate have submitted their views/objections/suggestions. Thirty others were also present at the web hearing. In reply, Sri P. Shiva Rao, learned Standing Counsel for the utilities, made his submissions.
- 405.** Accordingly, based on the views/objections/suggestions received afresh on the petitions and the material available on record, the Commission passes the following **order**.
- Filings:**
- 406.** APSPDCL sought the following reliefs in its petition:
- i. to approve the true-up of expenses and revenue for its distribution business for the 3rd control period (FY2014-15 to FY2018-19);
  - ii. to approve Rs.3659 Cr. which is the total gap between the actual and approved amounts of Net ARR (Gross ARR - Revenue) during the 3rd control period;
  - iii. to approve Rs. 2230 Cr. as carrying cost for the total revenue gap from the distribution business for the 3rd control period;
  - iv. to approve Rs. 5889 Cr. towards total gap including carrying cost for the distribution business for the 3rd control period.

**407.** Similarly, the APEPDCL sought the following reliefs in its petition:

- i. to approve the true-up of expenses and revenue for its distribution business for the 3rd control period (FY2014-15 to FY2018-19);
- ii. to approve Rs.825.08 Cr. which is the total gap between the actual and approved amounts of Net ARR (Gross ARR- Revenue) during the 3rd control period;
- iii. to approve Rs.510.42 Cr. as carrying cost for total revenue gap from the distribution business for the 3rd control period;
- iv. to approve Rs.1335.50 Cr. towards total gap including carrying cost for the distribution business for 3rd control period.

**408.** A brief summary of the claims in APSPDCL's petition is as follows:

- i. The aggregate loss/gain item-wise, year-wise & total for the 3rd control period and the aggregate loss of the whole distribution business for the 3rd control period, are as shown in the table below:

**Table 22: APSPDCL - Aggregate Loss/Gain(Rs. Cr.)**

S.No.	ARR item	FY15	FY16	FY17	FY18	FY19	Total for 3rd CP
1	Variance in O & M Expenses (Net)	759.20	326.23	11.46	214.38	1,702.60	3,013.87
2	Variance in Return on Capital Employed	56.98	110.84	148.79	131.40	193.55	641.56
3	Variance in Depreciation	71.75	22.46	20.24	-108.60	-80.54	-74.69
4	Variance in Taxes	-28.01	-30.33	-30.04	-29.55	-30.15	-148.08
5	Variance in Special Appn. for Safety measures	-5.31	-5.26	-5.12	-5.41	-2.92	-24.02
6	Variance in Other Expenditure	27.03	33.73	33.10	34.99	39.71	168.56
7	Variances in True-up adjustment of 1st CP	0	0	0	0	0	0
8	<b>Variance in Gross ARR (Sum of 1..7)</b>	<b>881.64</b>	<b>457.67</b>	<b>178.43</b>	<b>237.21</b>	<b>1,822.25</b>	<b>3,577.20</b>
9	Varance in Tariff income	0	0	0	0	0	0
10	variations in Non-Tariff Income	131.69	-117.00	-77.75	-113.78	94.95	-81.89
11	<b>Variance in Total Revenue</b>	131.69	-117.00	-77.75	-113.78	94.95	-81.89
12	<b>Loss/profit (8-11)</b>	<b>749.95</b>	<b>574.67</b>	<b>256.18</b>	<b>350.99</b>	<b>1,727.30</b>	<b>3,659.09</b>

- ii. The year-wise total loss/gain along with carrying cost and total loss/true-up as claimed by the APSPDCL for the 3rd control period, are shown in the table below:

**Table 23: APSPDCL - Total claim with Carrying Cost (Rs. Cr.)**

Year	Claim	Carrying Cost	Total
<b>FY2014-15</b>	749.99	45.00	794.99
<b>FY2015-16</b>	574.67	130.00	704.67
<b>FY2016-17</b>	256.16	195.00	451.16
<b>FY2017-18</b>	350.99	255.00	605.99
<b>FY2018-19</b>	1727.30	411.00	2138.30
<b>FY2019-20</b>		563.00	563.00
<b>FY2020-21</b>		631.00	631.00
<b>Total</b>	<b>3659.12</b>	<b>2230.00</b>	<b>5889.12</b>

The other important submission made in the petition of APSPDCL is that APERC has issued the MYT order for the 3rd Control Period on 09.05.2014 in the erstwhile Andhra Pradesh. Subsequently, as per the Andhra Pradesh Reorganization Act, 2014, (Central Act No.6 of 2014), two districts, viz, Anantapur and Kurnool which were under the jurisdiction of Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) which falls in the State of Telangana, were separated from it and merged into the Southern Power Distribution Company Limited (APSPDCL). Accordingly, the proportionate share (17.45 percent of APCPDCL's ARR & Revenue) was added to the approved ARR of APSPDCL in the wheeling tariff order for the 3rd control period, and the expenditure and revenue in respect of the merged two districts have been considered for arriving at the True-up claims. The computations of APSPDCL are shown in annexure.

**409.** Similarly, a brief summary of the claims in APEPDCL's petition is as follows:

The aggregate loss/gain item-wise, year-wise & total for the 3rd control period, and the aggregate loss of the whole distribution business for the 3rd control period are as shown in the table below:

**Table 24: APEPDCL - Aggregate Loss/ Gain (Rs. Cr.)**

S.No.	ARR item	FY15	FY16	FY17	FY18	FY19	Total for 3rd CP
1	Variance in O & M Expenses (Net)	313.50	57.65	-88.35	-205.57	637.71	714.94
2	Variance in Return on Capital Employed	13.5	12	13.28	24.6	47.83	111.21
3	Variance in Depreciation	-21.28	-34.69	-37.48	-27.39	-25.76	-146.6
4	Variance in Taxes	-10.29	-11.17	-12.19	-11.02	-14.22	-58.89
5	Variance in Special Appn. for Safety measures	-5.00	-5.00	-5.00	-5.00	-5.00	-25.00
6	Variance in Other Expenditure	159.30	17.75	6.39	13.93	164.44	361.81
7	Variances in True-up adjustment of 1st CP	0	0	0	0	0	0
8	<b>Variance in Gross ARR (Sum of 1..7)</b>	<b>449.73</b>	<b>36.54</b>	<b>-123.35</b>	<b>-210.45</b>	<b>805.00</b>	<b>957.47</b>
9	Variance in Tariff income	0	0	0	0	0	0
10	variations in Non-Tariff Income	45.88	9.42	12.99	27.89	36.20	132.38
11	<b>Variance in Total Revenue</b>	<b>45.88</b>	<b>9.42</b>	<b>12.99</b>	<b>27.89</b>	<b>36.20</b>	<b>132.38</b>
12	<b>Loss/profit (8-11)</b>	<b>403.85</b>	<b>27.12</b>	<b>-136.34</b>	<b>-238.34</b>	<b>768.80</b>	<b>825.09</b>

- i. The year-wise total loss/gain along with carrying cost and total loss as claimed by the APEPDCL for the 3rd control period are shown in the table below:

**Table 25: APEPDCL - Total claim with Carrying Cost (Rs. Cr.)**

Year	Claim	Carrying Cost	Total
<b>FY2014-15</b>	403.85	24.23	428.08
<b>FY2015-16</b>	27.12	53.00	80.12
<b>FY2016-17</b>	-136.34	52.80	-83.54
<b>FY2017-18</b>	-238.34	36.66	-201.68
<b>FY2018-19</b>	768.80	72.88	841.68
<b>FY2019-20</b>		127.76	127.76
FY2020-21		143.09	143.09
<b>Total</b>	<b>825.09</b>	<b>510.42</b>	<b>1335.51</b>

- 410.** The DISCOMs relied upon “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation 2005”, (Regulation 4 of 2005) notified by the Commission in support of their claims. The relevant clauses of Regulation 4 of 2005 which deal with the true-up of distribution and retail supply businesses are reproduced below:

#### **Clause 19**

*“CORRECTIONS FOR “UNCONTROLLABLE” ITEMS AND “CONTROLLABLE” ITEMS AND SHARING OF GAINS/LOSSES OF “CONTROLLABLE” ITEMS,*

*The Distribution Licensee shall file its proposals for pass-through as well as sharing of gains/losses on variations in “uncontrollable” items of ARR and “controllable” items (indexed to external parameters) in accordance with clause 10 of this Regulation.”*

#### **Clause 10**

##### **MULTI-YEAR TARIFF FRAMEWORK AND APPROACH**

*10.1 The multi-year tariff framework shall be based on the following approach, for calculation of aggregate revenue requirement and expected revenue from tariff and charges.*

*10.2 Base Year:- Values for the Base Year of the Control Period will be determined based on the audited accounts available, best estimate for the relevant years and other factors considered appropriate by the Commission, and after applying the tests for determining the controllable or uncontrollable nature of various items. The Commission will normally not revisit the performance targets even if the targets are fixed on the basis of base values of un-audited accounts.*

10.3 Targets:- Targets will be set for items that are deemed by the Commission as “controllable” which constitute operation & maintenance costs, financing costs, and for distribution losses duly adhering to the Licensees’ Standards of Performance Regulation. Trajectory for specific variables may be stipulated by the Commission where the performance of the applicant is sought to be improved upon through incentives and disincentives.

10.4. Controllable and Uncontrollable items of ARR:- The expenditure of the Distribution Licensee considered as “controllable” and “uncontrollable” shall be as follows:

**Controllable/Uncontrollable ARR Items in Distribution Business**

<b>Distribution Business</b>	
ARR Item	<b>“Controllable”/”Uncontrollable”</b>
Operation & Maintenance expenses	Controllable
Return on Capital Employed	Controllable
Depreciation	Controllable
Taxes on Income	Uncontrollable
Non-tariff income	Controllable

In addition to the above items, the retail supply business shall include the following:

**Controllable/Uncontrollable ARR Items in Retail Supply Business**

<b>Retail Supply Business</b>	
ARR Item	<b>“Controllable”/”Uncontrollable”</b>
Cost of power purchase	Uncontrollable

10.5. Pass-through of gains and losses on variations in “uncontrollable” items of ARR:- The Distribution Licensee shall be eligible to claim variations in “uncontrollable” items in the ARR for the year succeeding the relevant year of the Control Period depending on the availability of data as per actuals with respect to effect of uncontrollable items:

*Provided that the Commission shall allow the financing cost on account of the time gap between the time when the true-up becomes due and when it is actually allowed and the corrections shall not be normally revisited.*

*10.6. Sharing of gains and losses on variations in “controllable” items of ARR:*

*The Distribution Licensee in its annual filings during the Control Period shall present gains and losses for each controllable item of the Aggregate Revenue Requirement. A statement of gain and loss against each controllable item will be presented after adjusting for any variations on account of uncontrollable factors.*

*10.7. For the purpose of sharing gains and losses with the consumers, only aggregate gains or losses for the Control Period as a whole will be considered. The Commission will review the gains and losses for each item of the ARR and make appropriate adjustments wherever required:*

*Provided that for the first Control Period, insofar as the gains and losses from the Retail Supply Business of the Distribution Licensee are concerned, these will be shared with the consumers on yearly basis.”*

*10.8 Notwithstanding anything contained in the Regulation, the gains or losses in the controllable items of ARR on account of factors that are beyond the control of the Distribution licensees- force majeure- shall be passed on as an additional charge or rebate in ARR over such period as may be specified in the Order of the Commission.”*

**Views/objections/suggestions**

- 411.** In response to the paper notification, views/objections/suggestions have been received from many stakeholders (Annexure) afresh. The views/objections/suggestions and the responses of the DISCOMs are as follows:
- 412.** Sri M. Venugopal Rao & others (Sri Kandarapu Murali, Sri Ch Narasinga Rao, and Sri Babu Rao) have stated that the DISCOMs have filed the petitions about fifteen months after the completion of the third control period and submitted abstract data relating to the increase/decrease of expenditure under various components without details. The Commission should have directed the DISCOMs to resubmit their petitions with required information and clarifications and then sought views and submissions of the interested public. That employee costs constitute about 82% of O&M cost and over the years, employees' expenses have continued to increase by leaps and bounds. Therefore, they requested the Commission to determine permissible extents of employee costs. That the Repair & Maintenance (R &M) expenses of both the DISCOMs have increased substantially and are not prudent or



permissible and not commensurate with Gross Fixed Assets. That the increase in A & G expenses is disproportionate to the increase in the number of consumers, DTRs, line lengths, and substations year-wise. The DISCOMs have to provide the basis and justification for such an increase. That the DISCOMs have not explained what "other expenses & miscellaneous losses and write-offs" are. That the veracity and permissibility of increased regulated rate base claimed by the DISCOMs need to be examined in the light of the increased ROCE and nil taxes on income. That the reduction in actual depreciation charges in spite of the substantial addition of gross fixed assets during the control period is not justified. That as regards the amount spent on safety measures, the DISCOMs have submitted that there is no separate head in accounts for these expenses and that the expenditure for these initiatives has been accounted for in R&M expenses. This approach evades giving a clear picture of the specific measures taken, expenditure incurred and improvements achieved as a result of safety measures taken by the DISCOMs. That while the Commission approved Rs.1.80 crore for other expenditure during the 3rd control period, APSPDCL has claimed Rs.170.3 crore towards the same. As the reasons for such an increase have not been explained by APSPDCL, such arbitrary claims should be rejected. Similarly, EPDCL has claimed Rs.361.81 crore towards the other expenditure. They sought the status of insurance claims for the expenditure due to the Hudhud and Titli cyclones and questioned whether such claims for recovering the losses caused due to the natural calamities from the consumers in the name of other expenditures are permissible. They also opposed the carrying costs claimed by the DISCOMs and stated that they should not be imposed on the consumers as it is not their fault. That both the DISCOMs have not shown the amounts they received from GoAP earlier under the financial restructuring scheme and later under UDAY. The same need to be examined and reduced from the true-up claims, if not already done so. That allowing collection of true-up claims of the DISCOM for a period of five years of control period within a short period leads to huge burden as true-up of retail supply business for FY 2019-20 and true-up claims of APTransco for the third control period also are pending before the commission. That as this situation has arisen due to the commissions and omissions of state government and the impact of the Covid-19 pandemic, the Government should come forward to bear the burden of the true-up claims in such a situation. If not, it is better to taper the collections of the amounts of true-up claims as the Commission may permit, to lessen the burden of the same on consumers gradually over a reasonably long period of time. That the MYT system should be dispensed with and the Commission should direct APTransco and DISCOMs to file their claims for revenue requirement, determination of tariff, and true-up/true-down annually in view of the apparent advantages. Sri M. Venugopal Rao has further stated that there is no justification for the bifurcation of distribution and retail supply

businesses. That true-up claims do not provide for cross-subsidy and the Government's subsidy to the subsidized categories of non-agricultural consumers under the present arrangement. That several valid objections have been raised by non-agricultural consumers as allowing true-up claims are leading to conflicts as to who should bear the burden of true-up claims – whether the consumers who consumed power during the period for which true-ups are claimed now or the consumers who are consuming power now in the same dwellings/establishments under the same service connections. That under the present system of true-up, allowing collection of the permitted amounts of true-ups on a per-kWh basis equally from all non-agricultural consumers is leading to giving up on the principles or parameters being applied by the Commission for working out the cost of service to each category of consumers for the purpose of determining retail supply tariffs. That all the issues of conflict will be adjusted in and subsumed under if the true-up charges are included in annual retail supply tariffs to be determined by the Commission. That way, the financial interests of the DISCOMs can be taken care of much faster than what is being allowed under the MYT system. That it will also avoid the need for repetitive public hearings that have been taking place under true-up claims, thereby saving the time and energy of the Commission and of those objectors who have been participating in the public hearings. It will also avoid scope for litigations and other difficulties that may arise on account of delayed submissions of true-up claims and resultant orders of the Commission.

**DISCOMs' Response:** That the reasons for the increase in employee expenses are furnished in the petitions. The O&M costs have increased due to the implementation of Revised Pay Scales, revised pensions with effect from 01.04.2018, and provision made towards Pension & Gratuity liability as per actuarial valuation for the past service at revised scales. That the lion's share of R&M Cost is incurred towards manning of substations. The majority of substations is manned by the outsourced personnel and their salaries were increased with effect from 01.04.2018, and this expenditure is considered under the R&M head in the audited reports. Further, the effect of inflation also needs to be taken into account while considering the increase in the R&M expenditure. Hence, R&M cost has increased at a higher CAGR than that of Gross Fixed Assets. That major part of Administration & General expenses was incurred towards spot billing, payment to private accounting agencies, collection charges through private collection agencies, TA bills to the employees, professional fees, etc. Spot billing costs during the year vary based on the spot billing rate and release of new services. The A&G expenses (CAGR 17.65%) are reasonable when the CAGRs in respect of DTRs (13.46%), lines, consumers (4.56%), etc., are correlated to the CAGR in inflation (3.34%). That the various items under Miscellaneous losses and write-offs are on account of price variations, loss due to the obsolescence of stock,



loss to fixed assets due to floods, etc. APSPDCL has stated that the higher GFA is due to the merging of Anantapur and Kurnool circles in APSPDCL as part of the bifurcation of Andhra Pradesh and schemes such as HVDS. APSPDCL has further stated that it has incurred losses for all the years of the 3<sup>rd</sup> control period and hence no taxes. The DISCOMs have stated that the Depreciation on fixed assets is being charged at MOP's rates. That actual depreciation is different from the approved depreciation due to differences in the class of approved fixed assets and fixed assets added to the network. They also stated that they spent expenditure towards the procurement of safety material such as earth discharge rods, rubber gloves, tool kits, pole climbers, LED torch lights, etc., for the department staff to prevent electrical accidents while carrying out maintenance works in the field in addition to the many safety measures undertaken. As regards the other expenditure, APSPDCL has stated that out of the Rs. 170.3 Crores claimed under other expenditure as per the audited reports, the balance expenditure of Rs. 168.55 Cr. need to be considered under the A&G head as this expenditure relates to A&G. The various cost items included under the other expenditure are - Vehicles' running expenditure, Vehicles' hire charges, training expenses, material handling expenses, material transport charges, consumers' meet expenditure, incidental store expenditure, etc. The DISCOMs have stated that under the UDAY scheme, working capital loans as of 30.09.2015 & FRP Loans were taken over by the Govt. of A.P. That the CAPEX loans are not covered under the scheme. Hence, they have not received any support under the scheme towards Distribution costs. That APEPDCL has incurred losses during all the years of the 3<sup>rd</sup> control period except in FY 2017-18. In FY 2017-18, APEPDCL earned a nominal profit of Rs.10.45 Crs and paid a tax of Rs.2.20 Crores. As regards the other expenditure incurred, APEPDCL has stated that its assets are not insured and hence it has not received any amounts from insurance companies. However, an amount of Rs.86.82 Crores was received in FY 2016-17 from the Commissioner, Disaster Management under the APDRP scheme towards Hudhud cyclone expenditure and it has not received any amount for the Titli cyclone. The DISCOMs have stated that all other issues raised by the objectors are under the purview of the Commission.

- 413.** Ameya Batteries & Others (AP Hotels Association, Bhaskar Rao, Bliss Hotel BSN Estates, Ch A R Sudhakar, East Cost Paints, Fortune Hotel Harsha Liners, Hemadri Cements, Hotel Nagavalli, Hyundai Kushalava Motors, Indian Tabacco, Jayansree Pharma, Kalyan Mohammed Rashid Khan, Kandhari Hotels, Kusalava Finance, Kushalava International, Lingamaneni, M Convention, M Hotels, MS Hotels, Masineni Hotels, Metropolitan Hotels, Mini Hotels & Projects, Nallaru Raghava Rao, Pramod Paints, Sainer Life Science, Sree Balaji Bricks, Sunita Mehta Jain, Talasila Satyam, Talasila Vinod Kumar, and Vivekananda) have stated that it is highly unmanageable to pay the true-up charges for the five-year period FY 2014-15 to FY 2018-19 within

8 months as the majority of MSMEs are still reeling under the economic impact of the covid pandemic. If the DISCOMs had collected the true-up charges every year during the last 5 years, the industries would not have been burdened to pay all the pending true-up charges of the past 5 years within 8 months. That they enter into long-term agreements with buyers by taking into account the various cost factors. Businesses have to bear additional costs on account of true-up charges from their own pockets. It is not genuine to demand to pay additional amounts for the previous years' orders from the customers. Once the ARR is passed and the tariff is finalized, ideally, there should not be a further revision of tariffs. That out of the total true-up amount to be collected, around 60% is expected to be collected from business establishments of which more than 95% are in the MSME category. MSMEs are already operating with limited working capital and the additional burden of true-up charges will further erode their working capital, severely hampering the cash flows, and the units will fall into the NPA category impacting their credit ratings. That as per the Electricity Act, the DISCOMs are supposed to finalize the power tariffs every year with respect to ARR, but this has not happened and instead they are proposing to collect true-up charges retrospectively from FY 2014-2019 which is unfair and burdensome for the consumers. Hence, APERC should direct DISCOMs to include the true-up charges in the subsequent year's tariff. That DISCOMs propose to levy true-up charges on consumers who haven't had operations and power connection during FY 2014-15 to 2016-17 periods. That it is unfair on the part of DISCOMs to impose the true-up charges with retrospective effect on the business consumers who had lesser consumption during the period from FY2014-15 to 2018-19. Hence, they requested APERC to direct DISCOMs to collect true-up charges from the units for only the actual connected load of that particular year. That there is no justification for levying different true-up charges by each DISCOM within the same State. Ideally, there should be a uniform tariff across the State. That as per the Act, if any consumer is getting supply at more than 132 kV, there should not be any true-up charges as lines above 132 kV belong to APTransco and the question of distribution does not arise.

**DISCOMs' Response:** That as per Clause 10.7 of APERC Regulation 4 of 2005, the DISCOMs have filed for true-up of distribution business for the 3rd control period i.e., from FY2014-15 to FY2018-19 after the end of control period and not on yearly basis. APSPDCL has stated that the share of the commercial category is 2.87% and the industrial category is 21.06%. Hence, the contention of the objector that 60% is expected to be collected from business establishments is incorrect. APEPDCL has stated that the share of the commercial category is around 8% and the industrial category share is around 36% while the remaining 56% charges will be collected from other categories. Out of 36% of industrial category share, only 6% share comes under MSME services. The GoAP will bear the true-up charges for Agl non-corporate farmers,

0-200 units consumers of Scheduled Castes & Scheduled Tribes, and Other Backward Communities who were covered under special subsidy schemes. That the collection of true-up charges based on actual consumption of a particular year instead of on current consumption is under the purview of APERC. That the DISCOMs have filed for the true-up of the distribution business individually. That the true-up charges are different for each DISCOM based on variations in the actual expenditure compared to the approved expenditure in respect of items of the distribution business. That as per Section 14 of the Electricity Act, 2003, distribution of power is to be carried out by the holder of the license (DISCOM). Even though lines at voltages of 132kV and above belong to APTransco, the firms/industries/individuals at supply voltages of 132kV and above are consumers of the DISCOMs, and power is distributed by them only. The distribution licensee is a single entity for all classes of consumers differentiated by voltage, the quantity of usage, and the purpose of usage. The entire Aggregate Revenue Requirement (ARR) of Distribution Licensees is computed and allocated to different classes of consumers, as per the principles set forth by the Commission. The Distribution Cost is an ARR line item of the entire DISCOMs and cannot be treated differently. Hence, consumers at supply voltages of 132kV and above are liable to pay the true-up charges as well.

- 414.** BSN Estates and others (Sunitha Mehta Jain, Nalluri Raghava Rao, and A.R.Sudhakar) have stated that true-up charges are not applicable to the consumers who are using power through Captive Power Plants and PPAs.

**APSPDCL's Response:** All consumers who consume power supplied by DISCOMs are liable to pay the true-up charges.

- 415.** Synergies Casting and 4 others (Adi Shakti Smelters, AP Textiles, Ferro Alloys, and South India Cements) have stated that the licensees have made the filings pertaining to the Distribution Business for the 3<sup>rd</sup> control period in accordance with Clause 19 of Regulation 4 of 2005. However, the licensees in their filings have not made any proposal or notice of the manner in which the amount claimed and/or allowed is to be recovered. Hence, the objectors requested the Commission to consider the same outside the scope of the petitions. That it is not possible to evaluate the claim of the licensee, as the necessary statements and details as required and contemplated by the Regulation were missing in the filings. Hence, they requested the Commission to dismiss the filings of DISCOMs, treating them to be non-compliant with the requirements of the Regulations. That in the recalled order of the Commission, certain essential information was obtained by the Commission through emails, etc. Such information should be made available to the public by uploading the same on the Commission's website. That the methodology of Distribution true-up must necessarily be the same as in the Distribution Tariff Order. That, the only uncontrollable item in

the Distribution Business is “Taxes on Income”. That as per Clause 10.5 of the Regulation, the gain/loss as an uncontrollable item shall be a pass-through in the ARR for the year succeeding the relevant year in the control period when the data of the actuals become available. Therefore, the Regulation does not contemplate taking into consideration the aggregate gain/loss for the whole control period at once so far as uncontrollable items are concerned. Hence, these gains are to be passed through in the succeeding year’s ARR. That the controllable items as per the Regulation are (a) O & M expenses, (b) RoCE, (c) Depreciation, and (d) Non-Tariff Income. “Controllable” means that it is within the control of the licensee and therefore any losses arising out of such items ought to be borne by the licensee. That, the excess expenditure on such items has to be allowed subject to uncontrollable force majeure factors. Barring the Force Majeure cases, all losses on controllable items are to be borne by the licensees. Further, the share to the licensee in gains ought to be allowed only if the gain has been due to any identifiable efficiency improvement in the working of the utility.

That as per clause 19 of the Regulation, the licensees have to file proposals for sharing of gains/losses but they have failed in doing so. Instead, the approach of licensees appears to be that all losses on controllable items are also to be passed through. This approach is contrary to the Regulation. Therefore, the petitions are not in accordance with the requirements of the Regulation. That R&M expenses are to be allowed only on a normative basis i.e., at 2.05% of the Opening GFA of each year. That, for the purpose of computation of R&M expenses, the opening GFA as per the approved investment plan or the actual opening GFA whichever is low should be considered. That as per table 3.11 under para 38 of Chapter III of the D&RST order dated 09.05.2014, the DISCOMs shall strictly adhere to the head-wise investment schedule mentioned in Annexure E while incurring capital investment. That, there is no explanation or details in the petitions with regard to the deviation from the amounts of investments approved by the Commission. That it is necessary to ascertain the gross value of the assets that are no longer in use in each financial year and to remove such value from the GFA. That for the computation of RRB, the GFA as approved in the investment plan or the actual GFA whichever is lower should be taken. That, the working capital component WCi for computation of RoCE should be computed on the basis of the allowable O&M expenses. That RoCE should be computed in accordance with submissions made in respect of GFA, RRB, and working capital. That any loss in RoCE ought not to be allowed as a pass-through to the consumer. Instead, it should be borne by the licensee alone. Further, if there is a gain in RoCE, the licensee ought to be declined any share of the gain. That the O & M expenses, such as Employees Costs, AG Expenses, and the R&M expenses should also be determined in the true-up on the basis of submissions made in respect of each item. That the depreciation

figures which have been computed by the licensees are supposed to be in accordance with the CERC Regulations. Hence, MoP guidelines are inapplicable in the teeth of specific provisions in the Regulation. That as per clause 17.4, depreciation should be taken into consideration only from the financial year from which the asset is first put to use. That, it is not clear whether such a process was followed and what part of the additions to fixed assets in a financial year were put to use in the same financial year. Hence, the amount of depreciation cannot be verified or computed, in the absence of such necessary information. That the depreciation is to be allowed only on the opening GFA(to the extent the assets have been put to use) or the actual opening GFA(also to the extent the assets have been put to use) whichever is lower. Any gains on this account should be passed on to the consumers. That the purchase of safety material such as earth discharge rods, etc. are normally routine and regular purchase items within the O&M expenses. That the objective of special appropriation towards safety has not been served since there is a continuous increase in electrical accidents and fatalities. The special appropriations in the control period FY 2009-14 were not utilized. That the licensees diverted routine regular expenditure on safety material from O&M expenses to special appropriations. Hence, such diversion should not be permitted. The amounts stated to have been spent ought to be properly considered as part and parcel of O&M expenses. Therefore, the entire amount of approved special appropriations ought to be treated as gain and allowed to be passed through to the consumers. That it seems that there exists a diversion of expenditure from certain heads to the other heads, the details of which are not clear. Hence, a careful examination of the same is necessary. That the other expenditure is neither classified as an uncontrollable nor a controllable item in Clause 10.4. Therefore, these losses should be entirely transferred to the licensees' accounts. That the Petitions do not state as to what part of the non-tariff income relates to the distribution business and what part relates to the retail supply business. Therefore, the licensees should not claim the losses in respect of non-tariff income. That carrying cost is applicable only to uncontrollable items as per the provision of clause 10.5. Therefore, in respect of the Distribution Business, carrying cost is applicable only on income tax. Further, there is no provision for carrying cost in respect of controllable items. Hence, the claim of carrying cost on alleged losses in the controllable item is wholly misconceived. That the ARR be apportioned among 33kV, 11 kV, and LT consumers following the methodology set out in para 113 of the D&RST Order dated 09.05.2014. That, the licensees have not given any data or information relevant for such apportionment. In the absence of such information, the true-up cannot be properly completed, and therefore the petitions are to be dismissed and/or returned as incomplete. That the entire approach and content of the petitions are misconceived, casual, and without necessary details or explanations. The petitions are also not in conformity with the

Regulation. Hence, the petitions ought to be dismissed or returned to the licensees. That as per the regulation in vogue, the true-up amounts are supposed to be passed through in the ARR of the succeeding year(s). Therefore, any determination of the true-up amount in the present proceedings should not result in additional tariff for the consumers. That as per the regulation in vogue, the licensee has to present a statement of gain/loss against each controllable item after adjusting for any variations on account of uncontrollable factors. That items falling only under Clause 10.8 can be passed through. That, the licensees have not pleaded or demonstrated by details or evidence of any force majeure circumstances with respect to any of the losses in any controllable item.

**DISCOMs' Response:** The objective of the licensees in the filing of a true-up petition is the determination of true-up charges by the Commission and sharing of the same with the consumers based on the methodology to be specified by the Commission in its order.

APSPDCL has stated that as per Regulation 4 of 2005, the licensee is required to file for aggregate gains or losses for the control period for the purpose of sharing gains/losses with the consumers. Hence, the licensee has filed the variations between actual and approved expenditure in respect of the items of the distribution business for sharing of gains/losses with the consumers. Nowhere in the Regulations, it is specified that the licensee has to file expenditure according to the norms fixed in the Tariff Order only. Hence, the contention of the objector that the petition should be dismissed as being vague, bereft of necessary details, and non-compliant with requirements of the Regulation is incorrect.

APEPDCL has stated that as per Regulation 4 of 2005, the licensee is required to file for aggregate gains or losses for the control period for the purpose of sharing gains/losses with the consumers. Assuming without admitting, year-wise filing is required to be done, it doesn't prevent or limit the powers of the Commission in the regulation to make appropriate orders as may be necessary to meet ends of justice. Hence, the licensee has filed the variations between actual and approved expenditure in respect of the items of distribution business for sharing of gains/losses with the consumers at the end of the control period. Nowhere in the Regulations, it is specified that the licensee has to file expenditure according to the norms fixed in the Tariff Order only. Hence the contention of the objector that the petition should be dismissed as being vague, bereft of necessary details, and non-compliant with the requirement of the Regulations is incorrect. In the instant case, the Commission is very much empowered to examine the Gains/Losses as controllable or uncontrollable in respect of the third control period pursuant to clause 24 under Savings. That it is pertinent to submit that as per clause 24.2, nothing in the regulation shall bar the Commission



from adopting a procedure in conformity with the Act, a procedure, at variance with the provisions of the Regulation, if the Commission in view of the special circumstances of the matters or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such matters or class of matters. That the DISCOMs have been filing taxes on income for the control period as a whole as all other items of distribution business are filed at the end of the control period. The DISCOMs have stated that nowhere in the Regulation it is mentioned that losses in controllable items are to be borne by the licensee only. There is no specific provision in Regulation restricting the licensee to claim variations of controllable items. The contention of the objector that losses in controllable items are to be borne by the licensee alone is against the objective of conduct of distribution business on commercial principles as per Section 61 (b) of the Electricity Act, 2003. The DISCOMs further stated that APERC had issued orders on the true-up of the distribution business at the end of the 2nd control period only and not on a yearly basis. Hence, the argument of the objector that only items falling under Clause 10.8 can be passed through is incorrect. Further, all factors – controllable and uncontrollable factors leading to the true-up are given in the petition. That as per the Regulation, the gains/losses in controllable items are to be shared with the consumer, which in effect means that the gains/losses are to be passed on to the consumers.

APSPDCL has stated that the Commission approves proposed investments in MYT. However, the contingencies and circumstances that crop up or emerge warrant the distribution licensee to undertake the additional expenditure than that specified in MYT. Still, that part of the expenditure is not prohibited to be claimed. In fact, that additional expenditure can also be claimed and the Commission after a prudent check about the necessity and requirement of that part of the item or investment of the items, finds that the item is very much required, then there is no prohibition to grant true-up for the losses for that particular amount of expenditure. DISCOMs shall endeavor to adhere to the approved resource plan. But, the variations are bound to happen in reality when the stages of construction/commissioning are passed by, in view of the extraneous factors based on technical, legal, statutory, and socio-economic nature, which could be beyond the control of the utility. Additional investments are also needed to be undertaken based on essentiality. Hence, the capital expenditure stated in the Resource Plan or MYT order cannot be strictly confined. The very objective of true-up is for approval of the additional investments that were reasonably incurred and allowable after prudence check. Further, in the petition, it was stated that the employee cost has increased due to the pay revisions and provisions to be made for terminal benefits for employees as per AS-15 based on the actuarial valuation report. The pay revisions are effected through the recommendations of the pay revision committee. The pay scales & pensions were revised with effect from

01.04.2014 & 01.04.2018. It is statutory compliance to make provisions towards Pension & Gratuity liability as per Actuarial valuation for the past service at revised scales. In Compliance with C&AG Audit's comment on the short provisioning of 100% Pension & Gratuity liability that may arise after 2029, provisions of Rs.1385 Cr (APSPDCL) and Rs.184.38 Cr. (APEPDCL) were made in FY 2018-19 as per the actuarial valuation reports. Hence, the actual employee cost filed by the licensees is to be approved. That the details of DTRs, No of Consumers, and length of lines are submitted in the true-up petition vide table no.11. Further, the A&G norms do not factor in the effect of inflation. Hence, the actual A&G expenses are allowable. As regards the increase in R&M costs & GFA additions, DISCOMs have stated a similar reply as furnished to other objectors supra. The DISCOMs have stated that retired assets have been deducted from the GFAs. They have further stated that they have calculated ROCE in accordance with the regulation and hence the contention of the objector that any loss of RoCE is not to be allowed as pass through and gains are to be declined to the licensee is against section 61(b) of the Electricity Act, 2003. As regards the depreciation, APSPDCL has stated that the depreciation is taken from the audited reports of the respective year. APEPDCL has stated that the depreciation on fixed assets is provided under the 'straight-line method' up to 90% of the original cost of assets, at the rates notified by the Ministry of Power. That to maintain consistency, it has followed the same methodology as adopted in annual accounts & in MYT Filings. That the Commission approved the depreciation rates historically applied by APEPDCL, i.e. the rates approved by the Ministry of Power. That the works in progress will be capitalized once the works are completed and assets are put to use in the Network. The details of assets that were put to use during the control period are submitted vide table 14 of the true-up petition. That the DISCOMs have adopted the depreciation in the audited reports which are based on MOP's depreciation rates and also keeping in view the observations of the Commission on depreciation rates in the Tariff Order for wheeling tariffs for Distribution Business.

As regards, Non-Tariff income, APSPDCL has stated that an amount of Rs.211 Cr. pertaining to income from the sale of Renewable Energy Certificate is included in the miscellaneous income for FY 2018-19. The DISCOMs have stated that the non-tariff income filed in the petition pertains to the non-tariff income from the Distribution business only. The DISCOMs furnished the same replies on carrying costs as furnished supra. The DISCOMs strongly opposed the contention of the objectors that the petitions are not in -conformity with the regulation. They have stated that no specific methodology is specified for pass-through of determined true-up in the Regulations. The data requirement, if any, for the methodology for pass-through will be submitted, and as such the plea of the petitioner that the petition should be dismissed/returned on account of the same being in non-conformity with the



Regulation is not tenable and that by no stretch of the imagination, the petitions filed by the DISCOMs can be construed as not in conformity with the Regulation as all details, explanations, as may be required, are filed with the petitions.

That there is no specific mandate in Regulation 4 of 2005 to file year-wise true-up. That clause 10.7 enables the Commission to grant true-up for the entire control period as a whole. Therefore, filing of true-up after the control period is not a violation of any provision of Regulation 4 of 2005. In fact, such filing after the control period is in consonance with clause 10.7 of Regulation 4 of 2005.

- 416.** Sri Ravi Godey, Vizag Chamber of Commerce and Industry gave suggestions/raised objections similar to that of other objectors on the collection of true-up charges, collection of true-up charges from consumers who have enhanced their capacities recently, and/or who haven't had operations during the period from FY 2014-15 to FY 2018-19, different true-up charges for each DISCOM, the applicability of true-up charges on consumers connected at 132 kV and above voltages and survivability of MSMEs due to the levy of true-up charges, etc.

**APEPDCL's Response:** APEPDCL furnished similar replies on the aspects raised by the objector as furnished to other objectors supra due to the similarity of the objections.

- 417.** India Cement and 3 others (Brakes India Pvt. Ltd, Rain Cements and Sree Jayajothi Cements) gave suggestions/raised objections similar to that of other objectors on the manner of recovery of true-up amounts, apportionment of True-up amounts, the applicability of true-up charges on consumers connected at 132 kV and above voltages, lack of necessary details/explanations in the true-up petitions and their non-conformity with the Regulation, etc.

**APSPDCL's Response:** APSPDCL furnished similar replies on the aspects raised by the objectors as furnished to other objectors supra due to the similarity of the aspects.

- 418.** Sri Challa Gunaranjan, Advocate, representing My Home Industries Private Ltd. gave suggestions/raised objections similar to that of other objectors on apportioning of ARR between different voltages, lack of relevant data/information in the petitions for such apportionment, lack of necessary details/explanations in the true-up petitions and their non-conformity with the Regulation and the manner of recovery of true-up amounts, etc.

**APEPDCL's Response:** APEPDCL furnished similar replies on the aspects raised by the objector as furnished to other objectors supra due to similarity of the aspects.

- 419.** Sri A.G.Rajmohan stated that APSPDCL has incurred loss to the tune of around Rs.7,000 Crores during the period from FY2014 to FY2019 and the same is being distributed among the consumers and added in the power bills accordingly. That the auditing mechanism in vogue should have identified the loss in the first year itself to take it up for appropriate correction instead of allowing the same to go on for years and mounting up the loss on consumers. That the DISCOMs are buying the power at an average cost of Rs.18 from the Market. That power production should be under the domain of the Public Sector and the purchase of power from private companies should be need-based only. That the internal and external auditing systems should be strengthened to avoid such repetitions in the future. As the said loss is not due to consumers' negligence, the system of mounting true-up charges being collected from the consumers should be stopped forthwith and the amount collected so far should be adjusted in the ensuing power bills.

**DISCOMs' Response:** APSPDCL stated that the contention of the objector is incorrect. That the true-up is filed for variations between approved and actuals in respect of items such as O&M expenses, Depreciation, RoCE, other expenses, and non-tariff income. The true-up of the distribution business as filed by APSPDCL amounts to Rs.5889 Crs. including a carrying cost of Rs.2230 Crs. That the amount of true-up charges to be recovered from the consumers will be subject to the determination by the APERC.

That the DISCOMs filed the true-up petitions in accordance with Regulation 4 of 2005 after the availability of audited reports for FY 2018-19. Hence, the allegations of callous attitude and lack of accountability are not correct. That the present petition is not related to issues concerned with power purchase agreements and hence a discussion on the same is not relevant here. That the collection of true-up amounts from the consumers has been stopped forthwith until the redetermination of the true-up amounts by the APERC. APSPDCL stated that the amounts collected so far would be adjusted against the bills in November. APEPDCL has stated that the amounts already collected will be adjusted based on the final order to be given by APERC on the present petition.

- 420.** AMNSIL has stated that as per the corporate insolvency resolution plan approved by the committee of creditors under the Insolvency and bankruptcy code 2016 dated 16.12.2019, no person shall be entitled to initiate any Proceedings to enforce any Claims or continue my proceedings in relation to any Claims in so far as the Claims relate to the period prior to the Plan Approval Date. The objector requested the commission to direct APEPDCL not to impose charges, as the AMNSIL is entitled to be permitted to operate on a "fresh slate" as true-up charges from the period prior to the effective date, as a matter of law, cannot be imposed on AMNSIL, as the same

stand waived, extinguished, abated and discharged qua AMNSIL in perpetuity from the Effective Date in terms of the applicable law read with the SC Judgment.

**APEPDCL's Response:** Irrespective of the change in ownership, the consumer under service connection No. HT VSP-260 is liable to pay the true-up charges as per APERC directions.

- 421.** AP Chamber of Commerce stated that DISCOMs are insisting on the consumers to pay the True-up Charges mentioned in their bills. This is not rational, as APERC recalled its order dated 27.08.21 in O.P. Nos. 34 and 41 of 2020 on 06.10.2021. Hence, the objector requested APERC to intervene and direct DISCOMs to allow consumers to pay their electricity bills after deducting the True-up Charges.

**APSPDCL's Response:** Consequent to the APERC recalling its order dt.27.08.21 in OP.No.34 of 2020 on 06.10.21, APSPDCL has withdrawn/adjusted the true-up charges levied, in the C.C.Bills of Oct'2021.

- 422.** Sri M. Upendra Rao, advocate representing APCC & IF & Sri Sricharan Telaprolu, advocate representing AP Chambers of Commerce have stated that the true-up petition by APSPDCL is bereft of statutory compliances mandated under clause 19 r/w clause 10 of Regulation 4 of 2005 and hence not amenable for adjudication by the Commission. That the claim should be for the True-up of different heads enumerated in the original Tariff order for the 3<sup>rd</sup> Control Period and as such, the present Petition as filed is beyond the scope of the original Tariff order and is not maintainable under law. That the true-up Charges if allowed to be effective from the current Financial Year, would adversely impact the concluded Contracts, landing the Members of the AP Chambers in a distress scenario in monetary terms in honoring their Contractual Obligations. That the commission should reject the claim of APSPDCL, as the same is submitted by the DISCOM long after the completion of the 3<sup>rd</sup> Control Period and even after the determination of the Aggregate Revenue Requirement [ARR] for the Financial Years of the fourth Control Period. That the commission should reject the claim of the Petitioner, as it is in violation of Section 61(d) of the Electricity Act, 2003. Further, there exists a substantial delay in the filings of the DISCOM. That the commission should reject the claim of the petitioner, as, under clause 10.5 of Regulation 4 of 2005, the Distribution Licensees shall be eligible to claim variations in "uncontrollable" items and under Clause 10.6 of regulation in respect of "Controllable" items. Thus, as the claim of the licensee is barred by limitation and by virtue of the Operation of Law, the petitioner is prohibited from raising such claims. That the Commission should reject the claim of the Petitioner towards True-Up Cost, which is the Total Gap between the Gross ARR and Total Revenue during the 3rd Control Period. That, the net gap shall be determined only

after adjudicating and approving the said Value for Electricity utilized on account of State Policy towards certain subsidized consumers to the Revenue of each Financial Year. That the DISCOMs should recover the net Gap excluding the said amount. That in view of the true-up charges' impact on the manufacturing cost of a product, any amount determined towards True-Up should be spread over for a further period of 5 (Five) years to reduce the financial burden on the Consumers. That the delay in raising the Claim is solely attributable directly to the indolence of the Petitioner, for which the establishments cannot be saddled with interest while recovering the True-Up Charges. Hence, such claims shall not be imposed on the consumers. That the per-unit cost determined towards True-Up can be imposed on the individual Establishments only on the actual consumption (total units consumed) by them, Month/Year-wise during the 3rd Control Period. That the impact of pay revisions, gratuity, provision for pensions should be allowed only after the due approval of the Commission as part of the regular Tariff order during the relevant year. Hence, these costs cannot be recovered as True-up. Hence, the projected escalation under the O&M Head is to be negated. That rather than recovering the true-up charges at once from consumers, such charges should be recovered in a phased manner from the regular tariff, without burdening them. That despite the severe impact of Cyclones like 'HUD-HUD' and 'TITLI', the claims of APEPDCL are relatively lower when compared with the claims of APSPDCL. Hence, the data pertaining to various expenses of the DISCOMs need to be examined critically. That the proposed true-up charges should be collected from the ARR of FY 2022-23 only if any amount is supposed to be recovered from the consumers. That the true-up charges among various voltage levels should be segregated, as was done while determining the wheeling tariff in the original Tariff order for the 3rd Control Period. That the Methodologies of True-Up Charges proposed by APSPDCL and APEPDCL are glaringly different. Hence, the objector suggested that charges be uniform across DISCOMs.

**DISCOMs' Response:** That they filed the true-up petitions in accordance with Regulation 4 of 2005. That the methodology in the Tariff Order for Distribution Business for the 3<sup>rd</sup> control period is specified for wheeling charges in respect of open access consumers. That the revenue from open access wheeling charges is minuscule. That the bulk of the distribution cost determined in the Tariff Order is transferred to the Retail Supply Tariff as wheeling is done for Retail consumers. The methodology for recovery of determined true-up is under the purview of the APERC. That the period of recovery is also under the purview of the APERC. That APSPDCL has filed the true-up petition after the end of the 3<sup>rd</sup> control period and after the availability of the audited reports for FY 2018-19 and the petition is not in contravention of Clause No.10 of Regulation No.4 of 2005. That the contention of the objector that there was an inordinate delay in filing the true-up claim is untenable. That the objector's argument

that the claim of the petitioner should be rejected for non-submission of electricity utilized by the consumers who are provided subsidy and/or free electricity in pursuance of the policy of State Govt. is not tenable as the methodology of recovery of determined true-up, is under the purview of APERC. The DISCOMs have furnished a similar reply as furnished to the other objectors in respect of the pay revisions, uniform true-up. The DISCOMs have also stated that allowing carrying costs is under the purview of the Commission.

- 423.** Better Castings have stated that its average unit consumption for the period from April 2014 to March 2019 is 1,08,828 Units. That it has enhanced its MD to 750KVA from 9th March 2021. That its present consumption is 1,70,000 units per month, which is 60,000 units more than that during FY2014-19. Therefore, the true-up charges on the basis of present consumption are not reasonable. That retrospective true-up charges are impacting the business costing negatively, as the additional cost can neither be recovered from the customers nor charged on the existing contracts. That payment of 5 years of retrospective true-up charges in a short span of 8 months is impacting the cash flow and pushing the industry into the red zone. That the DISCOMs' excess costs of the previous year included in the next year's Tariff Order, would save the industry from unpleasant surprises and hardships. That non-uniform True-Up charges across the DISCOMs within the state are unjustified and are creating disparity within the industry. That the retrospective imposition of true-up charges is putting the industry of our state at a disadvantage in a competitive world and pushing the industry to the brink of disaster. Hence, the objector suggested that the true-up charges should be spread over a period of 24 months which could help the industry to cope with these charges.

**DISCOMs' Response:** The methodology of recovery of true-up charges is under the purview of APERC. That the true-up petitions were filed in accordance with Regulation 4 of 2005. A similar reply is furnished by the DISCOMs on non-uniform charges between the DISCOMS as supra.

- 424.** The Chamber of Commerce, Vizianagaram has stated that 60% of true-up charges proposed to be recovered will be from the commercial establishments. Hence, the objector requested the government to waive off such charges in view of the prevailing pandemic situation. That had the DISCOMs collected true-up charges annually, there would not have been a burden on the consumers in paying these charges, as the proposed recovery of the true-up amount in a span of 7 months would be burdensome for the industries in the existing pandemic situation. That the true-up charges are being levied based on the current capacity of the units without considering the capacity of the units during the last 5 years. Most of the business units must have increased their capacities over the years and their capacities would

have been far less compared to what they are now, but the DISCOMs are levying the true-up charges based on the current capacities which are unfair and burdensome to industries. That if the true-up charges are collected in the next 7 months, the enterprises will suffer heavily on the balance sheet front and may incur losses, which will affect their credit rating and working capital facilities. Hence, the objector requested the Commission to waive off the True-up charges

**APSPDCL's Response:** APSPDCL has given a similar reply as supra on the share of true-up charges from commercial establishments. That as per Regulation 4 of 2005, the true-up shall be at the end of the five-year control period but not yearly. That the methodology of recovery of true-up charges is under the purview of APERC. That the true-up charges are payable as per Regulation 4 of 2005 and the need for DISCOMs to continue the supply of power.

- 425.** FAPCCI made suggestions/raised similar objections, among others, as that of other objectors on the net ARR, O&M expenses, employee expenses, other expenditure, non-segregation of retail and distribution accounts in the audited books, etc. They have requested the Commission to allow for pass-through of only uncontrollable items but not controllable items as per Regulation, reduce the equivalent depreciation on assets which have been funded by consumer/user contribution or through any capital subsidy/grant, etc., share Gains/Losses in controllable items in a fair ratio between the Distribution Licensee and the Consumer, pass on the portion of Trued-up amount refundable/recoverable from the Consumers in the prospective ARR, spread the recovery of uncontrollable items over 5-7 years period to avoid tariff shocks, cap the depreciation to 90% of capital cost. Further, the objector computed true-down amounts of Rs. 1049.83 crores (in respect of APSPDCL) and Rs.1080.45 crores (in respect of APEPDCL) stated to be done as per Regulation and figures in the audited reports and requested the Commission to consider the same. The objector also stated that as per Section 62 (4) of the Electricity Act, 2003, tariff may not be amended frequently more than once in any financial year.

**DISCOMs' Response:** All the issues raised are similar to that of other objectors discussed supra and hence DISCOMs' furnished similar replies as furnished to other objectors.

- 426.** Sri Meesala Basavapunnaiah has stated that the DISCOMs in the state of AP are incurring losses in spite of the collection of unlawful charges and getting huge subsidies from the government of AP. The objector requested the Commission to detain true-up charges forever.

**DISCOMs' Response:** The purpose of filing true-up for distribution business for the 3<sup>rd</sup> control period is stated in the petition.



- 427.** Mohan Spintex has stated that as per the Electricity Act, DISCOMs are supposed to finalize the power tariffs every year in the month of December for the next financial year considering the present year's expenses, in the form of ARR to APERC. That consideration of True-up charges for the financial years 2014 to 2019 in the current financial year and inclusion in the power bills from Sept 2021 onwards is not justified. That its service No.VJA3637 supplied at 132 KV voltage level is managed by APTRANSCO and hence distribution losses do not arise. That as per the Act, for consumers getting supply at 132 KV or more voltage levels, there should not be any true-up charges. That any true-up charges should have been accommodated in the ARR itself and there should not be any further revision in that particular financial year. That true-up charges for the consumption through APGPCL were also added to the power bills and it is not desirable to include them while calculating true-up charges. That the textile industry utilizes more power compared to other industries. That the tariff is very high and loading further true-up charges will be a burden to the industry making it uncompetitive in both domestic and international markets. That it is not fair to levy exorbitant charges in the name of True-up charges when the Central Government has come out with some special schemes to support the industry to survive in the form of stimulus packages.

**APSPDCL's Response:** APSPDCL stated that it filed the true-up petition in accordance with Regulation 4 of 2005. APSPDCL furnished the same reply as stated supra on the applicability of true-up charges for consumers at 132 kV and above voltage levels. That the objector was a consumer of APSPDCL during the 3<sup>rd</sup> control period and consequent to the issue of distribution license to APCPDCL by APERC with effect from 01.04.2020, the objector has become a consumer of APCPDCL. Therefore, the consumer may approach APCPDCL regarding the levy of true-up charges on consumption from APGPCL.

- 428. Mondelz International** has stated that clauses 10.5, 10.6, and 10.7 of the Regulation require DISCOMs to file true-up petitions on a yearly basis considering the Controllable and Uncontrollable items/expenses from the previous year. That the DISCOMs have not been filing true-up of distribution business annually as required under regulation. That APSPDCL has, in fact, filed the petition seeking approval of true-up expenses for the entire Control Period, after more than a year post the completion of the 3<sup>rd</sup> Control Period without any justification for the delay. That the true-up burden is being imposed at a time when the consumers are already facing financial distress because of the impact of the Covid pandemic. The objector requested the Commission to take steps to reduce the burden like other state Commissions in the light of the impact of the Covid pandemic. That the employee expenses claimed are not in consonance with conditions of the National Tariff Policy, 2016 (NTP), that

uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs and that operating parameters in tariffs ought to be at "normative levels" only to encourage better operating performance. That the Commission should direct DISCOMs to provide break up of true-up amounts for different categories of consumers such as industrial, domestic, agricultural, etc. That the recovery of the true-up may be spread out over a longer period as opposed to the 8 months proposed in the earlier order to ease out the financial burden on the consumers.

**APSPDCL's Response:** APSPDCL furnished the same reply as stated supra on the justification for filing a true-up at the end of the control period. That the pay revisions are effected through the recommendations of the pay revision committee. Further, a provision of Rs.1385 Crs. was made in FY 2018-19 as per the valuation report furnished by Global Risk Consultants which was appointed consequent to the observation of C&AG in the audited report for FY 2017-18 regarding short provision towards terminal benefits of APSEB origin employees. That in view of the above, the claim for O&M expenses is allowable. That APSPDCL has filed a true-up on items pertaining to the distribution business. That it will submit any further information as directed by APERC and that the period of true-up recovery is under the purview of the Commission.

- 429.** Sri Surya Prakash Rao has stated that a huge amount of true-up is against the principles mandated under section 61 of the Act, regulation, and tariff policy. Hence, he suggested that the Commission may spread the recovery of the admissible true-up over a 5year period or at least over 30 months, i.e., the remaining period of the control period  
FY2019-24.
- 430. DISCOMs' Response:** That a decision on the period of recovery is under the purview of the Commission.
- 431.** TGV SRAAC has stated that the DISCOMs have not filed true-ups within the scheduled time. That true-up charges will affect the financial strength of the company as the additional burden was not factored in the agreements. That the Government has to compensate for the revenue gap of DISCOMs for the needed category of consumers in view of the Covid-19 pandemic. That the Commission has to ensure true-up of past expenses on yearly basis duly dispensing with the Multi-Year Tariff Framework as in the case of Retail supply Business. That in the event of delay in filing of the true-ups, the Commission must initiate suo-motu proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy. That the future pension liabilities of APSEB origin employees can be



taken into consideration in the future determination of Distribution Business Tariff instead of present True-up. That the provision for future pension liabilities is not in accordance with the law and that the Future Pension Liability should be deleted from True-up charges. That the Commission ought to have determined the permissible extent of A&G expenses expenditure, as the same are controllable items.

**APSPDCL's Response:** That it filed true-up of distribution business for 3<sup>rd</sup> control period in accordance with Regulation 4 of 2005 after the end of the control period and availability of audited accounts for FY 2018-19. That in the audit report for FY 2017-18, the Controller and Auditor General of India has pointed out a short provision of liability towards pension & gratuity of APSEB origin employees. Hence, allocations were made in order to make good the short provision of liability and the same is liable to be allowed. That the actual employee expenses & A&G expenses are allowable as pass-through in view of the reasons stated in the petition. That the other issues raised by the objector are under the purview of the Commission.

- 432.** Lokesh Aqua Products Pvt Ltd. and Sri Balaji Residency have raised similar objections as other objectors with regard to the true-up charges, recovery period of true-up, and financial impact on MSMEs with the proposed true-up charges. They requested the Commission to levy true-up charges based on actual consumption of the consumer during the control period rather than on the present consumption. That it is not justifiable to levy true-up charges differently in each DISCOM. That the proposed true-up charges are not applicable to the consumers who are drawing power at 132 KV and above voltage levels, as the said voltage networks are being maintained by APTransco. That it would be difficult for the survival of their businesses if the commission allows true-up charges.

**DISCOMs' Response:** That as per regulation 4 of 2005, variations in controllable items of ARR (distribution business) of the respective years of control period should be taken as a whole for the entire control period for sharing of profits or losses with consumers. That the commission will review the gains and losses for each item of ARR and make appropriate adjustments wherever required. That levying of true-up charges based on the actual consumption of the consumer during the control period is under the purview of the Commission. That each DISCOM filed the Distribution true-up petition separately for the third control period by taking into consideration variations in its expenses and revenues from the approved values. As variations in revenues and expenses vary from DISCOM to DISCOM, the true-up charges are bound to differ for each DISCOM. The DISCOMs furnished similar replies as stated supra on other similar issues.

- 433.** Sri C. Ravindra Kumar and Sri T. Parthasarathy, Prakasa Spectro-Cast Pvt Ltd. have stated that the levy of true-up charges after 7 years of consumption is not justified. The DISCOMs have to recover any such adjustments of the relevant year in the subsequent year. That in view of the prevailing pandemic, it is not justifiable to allow the recovery of the entire true-up amount within a span of 8 months. Hence, the objectors requested the Commission to introspect its decision. That the Commission determines the tariff for each financial year by balancing the DISCOMs' revenues and expenses. Hence, the objector questioned the need for huge true-up amounts when the DISCOMs are taking stringent measures in bill collections by collecting the penal charges for late payments. That it is not justifiable to levy true-up charges differently in each DISCOM, as there exists a common tariff among the DISCOMs. Hence, the objector requested the Commission for the common true-up charges among DISCOMs. That the commission has to take a comparative view of state government employees' pay and allowances with those of electricity employees and pensioners. The objector questioned the role of the Commission in controlling the said expenses, as there is a 300% increase in the said expenses over the approved figures. That in view of the prevailing pandemic, it is not justifiable to allow recovery of the entire true-up amount. That it is not justifiable to levy the same true-up charges for both the rural and urban areas when there exists a disparity in the reliability and durability of supply in both areas, as such processes are against the principles of the constitution.

**DISCOMs' Response:** They filed the true-up petitions in accordance with Regulation 4 of 2005. The DISCOMs have furnished a similar reply as supra on justification to file the true-ups at the end of the control period and on the justification for different true-ups. That the Power sector is both technical and infrastructural in nature. That it is not reasonable to compare the pay and allowances of electricity employees with those of other sectors, in view of the emergency, sensitive, and dangerous nature of the jobs. In respect of APSPDCL, the expenditure pertaining to the pay and allowances of employees for the FY 2014-15 is Rs.1813 crores, whereas the expenditure towards the same for the FY2018-19 is Rs.3263 crores, an increase of 80% over the FY 2014-15's figure. In respect of APEPDCL, the expenditure for the FY 2014-15 is Rs.971.62 crores, for the FY2018-19, it is Rs.1753 crores, an increase of 80% over the FY 2014-15's expenditure. That continuous and uninterrupted supply is being provided by the DISCOMs in spite of the pandemic. Hence, keeping in view of the finances of DISCOMs and regulations in vogue, the consumers have to pay the true-up charges as determined by the commission. The DISCOMs have stated that the other issues raised by the objector are under the purview of the Commission.

- 434.** Sri T.Parthasarathy has stated that the DISCOMs are spending on sub-stations only, as the land for the sub-stations is being provided by the donors and the line charges, transformers costs, and development charges are being borne by the consumers. The DISCOMs are treating the said network as their property. That only substation maintenance expenses should be allowed to the DISCOMs, as they are recovering entire other expenditures from consumers. That the Commission should not allow the true-up charges in favor of DISCOMs. Instead, the objector suggested that the revenues of DISCOMs should be improved by increasing the internal efficiency and collection of arrears.

**APSPDCL's Response:** That it is spending for the expansion of the network for providing continuous and quality supply to the consumers. That the charges towards transformers, lines, development charges are being levied as per the regulations of APERC in vogue.

That the DISCOMs are filing the true-up petitions based on audited operation expenditures. That they are providing affordable, durable, and continuous supply to the consumers. That they are striving hard for the recovery of arrears.

- 435.** Ravali Spinners has stated that they are utilizing power in respect of Service No.ELR505 at 132 kV voltage level and as the asset is managed by APTRANSCO, the question of distribution losses does not arise. That the true-up of ARR for distribution business each year is to be allocated among 33 kV, 11 kV, and LT levels as done in the original tariff determination. That this also implies that true-up of distribution business ARR is not applicable to consumers connected at 132 kV and above voltage levels. That any true-up charges should have been accommodated in the ARR itself and there should not be any further revision in that particular financial year. That true-up charges for the consumption through APGPCL are also added to the power bills.

#### **Commission's views, Analysis and Decision**

- 436.** The stakeholders have raised many issues in addition to the objections on item wise admissibility of claims. One of the objections is on the maintainability of the petitions on the grounds that they do not include full details and explanations with regard to the claims. That they are not in accordance with the extant regulations, and there are delays in the filings which are limited by law. The DISCOMs strongly defended their petitions on the basis of the various provisions of the Electricity Act, 2003 and extant regulations. The extant regulations have not specified formats as regards the gains and losses of the controllable items except for the variations in the power purchase cost which is an uncontrollable item. However, the DISCOMs have submitted the gains and losses of all controllable items of Distribution Business with

all necessary details. They have given full details of O&M expenditure which is 80 percent of the claim. In respect of RoCE (12 percent of ARR) claims, they have also furnished all the details except the details of full computations. The DISCOMs furnished all the details requested by the objectors. Therefore, the Commission does not see merit in the objections raised on the lack of details. Therefore, the petitions cannot be rejected on the grounds of insufficient data and not meeting the regulatory requirement. As regards the delay of about 15 months in the submission of the filings after completion of the control period, the extant regulations do not specify any time frame for submission of the aggregate gains/losses of controllable items of the Distribution Business. In fact the DISCOMs have explained that they filed the petitions after getting their accounts audited. In the absence of limitation prescribed by the Regulations, the question of throwing out the petitions on the ground of delay does not arise. Further, the Hon'ble Supreme court in its judgment dated 06.10.2015 in Civil Appeal Nos. 6036,6061,6138 of 2012,9304 of 2012 and 6835 of 2015 between AP Power and Coordination Committee and others Vs Lanco Kondapalli Ltd., and others [(2016) SCC 468] observed that the law of limitation has a limited application to the proceedings before the Commission, in that it applies only to the proceedings which are judicial in nature and is not applicable to the proceedings which are administrative or regulatory in nature. As the present proceedings are of regulatory nature, the law of limitation does not apply as per the above Hon'ble Supreme Court judgments. In the absence of application of law of limitation, the Commission shall examine whether the petitions suffer from laches. In the light of the explanation offered by the DISCOMS for the time gap, as noted above, the Commission is satisfied that the petition does not suffer from laches.

- 437.** We shall now consider merits. As per clause 16(i) of APERC Conduct of Business Regulations, 1999 (Regulation No.2 of 1999), the Commission may, at any time before passing orders on the matter, require the parties or any one or more of them or any other person whom the Commission considers appropriate, to produce such documentary or other evidence as the Commission may consider necessary for the purpose of enabling it to pass orders. Accordingly, the Commission's office has obtained certain relevant information through the emails for determination of the petitions.
- 438.** The Commission, while examining the item wise claims in detail, would discuss the relevant objections keeping in mind, the extant clause of the Regulation, in particular, clause 10 thereof. After determining the admissible aggregate gains/losses of all the controllable items, the Commission would discuss all the other relevant issues raised by the stakeholders in detail. Accordingly, the loss/gain against each item of the ARR & non-tariff income for the distribution business of the DISCOMs as submitted

in their petitions and admitted are discussed in the following paragraphs:

**O&M Costs:**

- 439.** The DISCOM wise O&M cost claims, year-wise and for the entire 3rd control period are shown in the following tables:

**Table 26: APSPDCL - O&M Costs (Rs.Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	The loss/gain
1	FY2014-15	1,315.24	2,074.44	759.20
2	FY2015-16	1,533.69	1,859.92	326.23
3	FY2016-17	1,729.96	1,741.42	11.46
4	FY2017-18	1,944.67	2,159.05	214.38
5	FY2018-19	2,196.49	3,899.09	1,702.60
	<b>Total</b>	<b>8,720.05</b>	<b>11,733.92</b>	<b>3,013.87</b>

**Table 27: APEPDCL – O&M Costs (Rs. Cr.)**

S. No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	The loss/gain
1	FY2014-15	795.52	1,109.02	313.50
2	FY2015-16	917.79	975.44	57.65
3	FY2016-17	1,049.63	961.28	-88.35
4	FY2017-18	1,194.44	988.87	-205.57
5	FY2018-19	1,360.96	1,998.67	637.71
	<b>Total</b>	<b>5318.34</b>	<b>6,033.28</b>	<b>714.94</b>

O&M costs consist of a) Employees expenses, b) Administration and General (A&G) Expenses, and c) Repairs and Maintenance (R&M) expenses.

**i. Employees' Expenses and A&G Expenses**

- A. Employees' expenses:** The DISCOMs have stated that the substantial increase in employees' expenses was due to the two pay revisions effected to their employees during the 3rd control period. That one revision was made effective from 01.04.2014 and the other one was, with effect from 01.04.2018. The other factors that contributed to the increase in the expenses under this head, in addition to the pay revisions, are making additional provisions towards gratuity, pension, and earned leave (EL) encashment to meet the future obligations based on Indian Accounting standards and actuarial valuation reports.
- B. A&G Expenses:** The DISCOMs have stated that the A&G expenses depend on the number of consumers, the number of substations, the number of DTRs, and the total length of the lines. That because of the increase in the above-said elements, there was

an increase in A&G expenses compared to the approved values.

- C. The DISCOMs have submitted employees' expenses and A&G expenses separately in their petitions. In this regard, it may be noted that while approving the O&M costs in the wheeling tariff Order for the 3rd control period by the Commission, the employees' expenses and A&G expenses were grouped together and approved. Accordingly, the Commission would put the employees' expenses and A&G expenses together for examination.
- D. Before proceeding with the analysis of the Employees and A&G expenses, the Commission notes that the A&G expenditure indicated in the following table was submitted by APSPDCL under "other expenditure" head in the petition and the same was informed to the objectors by APSPDCL while replying to the objections on 'other expenditure'. APSPDCL requested the Commission to consider this expenditure under the A&G expenses head instead of under 'other expenditure' head.

**Table 28: APSPDCL - A&G Expenses shown under "other expenses" (Rs. Cr.)**

S.No.	Year	A&G Expenses shown under other expenses by APSPDCL
1	FY2014-15	27.23
2	FY2015-16	33.87
3	FY2016-17	33.11
4	FY2017-18	35.07
5	FY2018-19	39.27
	<b>Total</b>	<b>168.55</b>

The Commission after due verification of the above expenditure item wise, is inclined to accept the request of the APSPDCL to consider the above expenditure under the A&G expenses head. Accordingly, the comparative figures on Employees & A&G expenses, DISCOM wise are indicated in the tables below:

**Table 29: APSPDCL - Gross Employees and A&G Expenses (Rs. Cr.)**

Year	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	Percentage of variation with reference to the tariff order
<b>FY2014-15</b>	1200.34	2030.18	69.13%
<b>FY2015-16</b>	1396.65	1741.17	24.67%
<b>FY2016-17</b>	1577.35	1626.15	3.09%
<b>FY2017-18</b>	1788.52	2037.94	13.95%
<b>FY2018-19</b>	2031.74	3617.85	78.07%
<b>Total</b>	<b>7994.60</b>	<b>11053.29</b>	<b>38.26%</b>



**APEPDCL - Gross Employees and A&G Expenses (Rs. Cr.)**

Year	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	Percentage of variation with reference to the tariff order
<b>FY2014-15</b>	746.00	1079.38	44.69%
<b>FY2015-16</b>	860.00	936.90	8.94%
<b>FY2016-17</b>	987.00	913.62	-7.43%
<b>FY2017-18</b>	1123.00	953.39	-15.10%
<b>FY2018-19</b>	1283.00	1916.30	49.36%
<b>Total</b>	<b>4999.00</b>	<b>5799.59</b>	<b>16.02%</b>

As could be seen from the above tables, the expenses have exceeded by 38.26 percent over the approval in respect of APSPDCL and by 16.02 percent over the approval in respect of APEPDCL for the 3rd control period. The Commission has examined the audited books of accounts of the DISCOMs for all the years of the 3rd control period and the figures mentioned in the audited books of accounts and in the petitions, in respect of employees and A&G expenses are found to be matching.

Many objectors have raised objections to the steep increase in Employees and A&G expenses. One of the objectors has requested the Commission to determine the permissible extent of employee costs. In this context, it is relevant to refer to Clause 14 of the “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation 2005” which reads as follows:

*“ Clause 14 Operation and Maintenance Costs*

*14.1 Operation and maintenance (O&M) Costs shall comprise the following:*

- A. Salaries, wages and other employee costs;*
- B. Administrative and General costs*
- C. Repairs and Maintenance, and*
- D. Other miscellaneous expenses, like legal charges, audit fees, lease charges, rent, rates and taxes, etc.*

*14.2 The distribution licensee in its filings for the control period shall submit the consolidated O&M expenses for the base year of the control period, and 2 years preceding the base year. The O&M expenses for the base year shall be determined based on the latest audited accounts, best estimates of Distribution Licensee of actual O&M expenses for relevant years and other factors considered relevant.*

*The O&M expenses for the base year, if required, will be used for projecting the expenses for each year of the control period.*

*14.3 The composite O&M expenses permissible towards revenue requirement for each year of the control period shall be determined, by using predetermined norms, or formulae for this purpose. These norms or formulae shall be determined by the*



*commission based on distribution licensees submissions in this regard, previous year's actual expenses and any other factors considered relevant by the commission."*

- E. In accordance with the above clause of the Regulation, the Commission has fixed norms in the "wheeling tariff order for the 3rd control period" in respect of employee expenses and A&G expenses after correlating the Employees and A&G expenses together to the number of substations, the length of lines, the number of DTRs and the number of consumers to keep a tab on such expenditure. The details of the norms fixed DISCOM wise are given below:

**APSPDCL: Norms**

Particulars	FY15	FY16	FY17	FY18	FY19
EC and A&G norm (Rs. Per Substation)	3803839	4130818	4485904	4871513	5290269
EC and A&G norm per line (Rs./ckt.km)	7004	7606	8260	8969	9741
EC and A&G norm (Rs. Per DTR)	3142	3413	3706	4024	4370
EC and A&G norm (Rs. Per consumer)	289	314	341	370	402

**APEPDCL: Norms**

Particulars	FY15	FY16	FY17	FY18	FY19
EC and A&G norm (Rs. Per Substation)	5305596	5761667	6256941	6794789	7378870
EC and A&G norm per line (Rs./ckt.km)	11511	12500	13575	14742	16009
EC and A&G norm (Rs. Per DTR)	5143	5586	6066	6587	7153
EC and A&G norm (Rs. Per consumer)	258	280	304	330	358

- F. The Commission has computed the "Employees expenses and A&G expenses" based on the above approved norms using the actual number of substations, the length of lines, the number of DTRs, and the number of consumers furnished by the DISCOMs in their petitions, (for Kurnool and Anantapur circles in APSPDCL, norms of APCPDCL have been applied which was obtained through email) to examine and compare the actual expenses with the set norms. The comparisons, DISCOM wise are shown in the tables below:

**Table 30: APSPDCL - Employees and A&G Expenses (Rs. Cr.)**

S. No.	FY	Expenditure as per the Wheeling Tariff order	Actual Expenditure incurred	Computed expenditure as per the norms
1	<b>FY2014-15</b>	1200.34	2030.18	1443.00
2	<b>FY2015-16</b>	1396.65	1741.17	1634.00
3	<b>FY2016-17</b>	1577.35	1626.15	1878.00
4	<b>FY2017-18</b>	1788.52	2037.94	2143.00
5	<b>FY2018-19</b>	2031.74	3617.85	2418.00
	<b>Total</b>	<b>7994.60</b>	<b>11053.29</b>	<b>9516.00</b>

**Table 31: APEPDCL - Employees and A&G Expenses (Rs. Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff order	Actual Expenditure incurred	Computed expenditure as per the norms
1	<b>FY2014-15</b>	746.00	1079.38	700.00
2	<b>FY2015-16</b>	860.00	936.90	812.00
3	<b>FY2016-17</b>	987.00	913.62	907.00
4	<b>FY2017-18</b>	1123.00	953.39	1063.00
5	<b>FY2018-19</b>	1283.00	1916.30	1198.00
	<b>Total</b>	<b>4999.00</b>	<b>5799.59</b>	<b>4680.00</b>

As could be seen from the above tables, the actual Employees and A&G expenses have exceeded the norms by Rs.1537.29 Cr. in respect of APSPDCL and by Rs.1119.59 Cr. in respect of APEPDCL.

- G. The DISCOMs have stated that the main reasons for the increase in employees expenses are the pay revisions effected from 01.04.2014 and from 01.04.2018. The point before the Commission is whether to approve the expenditure incurred over and above the norms, by the DISCOMs in respect of Employees and A&G expenses, and if so to what extent.

Employees' expenses and A&G expenses are controllable items. In respect of controllable items, the losses and gains shall be presented by the Licensees before the Commission which on examination, whether any uncontrollable factors exist shall make appropriate adjustments.

For prudent check of the expenditure claimed by the DISCOMs, the Commission, as a first step, examined the break up provided for the employee expenses by the DISCOMs in their petitions which are indicated, DISCOM wise in the following tables:

**Table 32: APSPDCL: Employees' expenses details**

S.No.	Particulars	FY15	FY16	FY17	FY18	FY19
1	Salaries	626	856	857	1,280	1791
2	Additional Pay/Dearness Allowance (DA)	158	81	135	0	0
3	Other Allowances & Relief	360	297	305	115	209
4	Medical Expenses Reimbursement	10	13	12	9	8
5	Leave Travel Assistance	0.27	0.05	0.03	0.01	0.01
6	Pension Contribution & Terminal Benefits	746	352	161	393	1385
7	Employees Welfare expenses	3.30	4.50	3.90	2.80	3.30
8	Less: Employees Cost Capitalized	(91)	(95)	(127)	(138)	(132.79)
<b>Total</b>		<b>1,813</b>	<b>1,508</b>	<b>1,347</b>	<b>1,662</b>	<b>3,263</b>

**Table 33: APEPDCL: Employees' expenses details.**

Sr. No.	Particulars	FY15	FY16	FY17	FY18	FY19
1	Salaries	405.70	417.34	422.49	434.39	697.24
2	Additional Pay/Dearness Allowance (DA)	17.42	37.66	62.55	79.07	17.72
3	Leave encashment (Incl. Remeasurements of defined employee benefit plans)	125.22	128.95	70.03	121.93	285.90
4	Pension Contribution & Terminal Benefits (Incl. Remeasurements of defined employee benefit plans)	341.76	123.13	134.74	98.60	641.67
5	Leave Travel Assistance	0.05	0.09	0.15	0.03	0.04
6	Employees Welfare expenses	21.48	24.64	27.08	28.64	39.36
7	Medical Expenses Reimbursement	14.32	15.09	15.62	14.03	14.89
8	Other Allowances & Relief	77.28	94.82	90.01	94.63	124.71
9	Employees Cost Capitalized	(31.61)	(51.67)	(50.64)	(76.04)	(68.14)
10	<b>Grand Total</b>	<b>971.62</b>	<b>790.06</b>	<b>772.03</b>	<b>795.30</b>	<b>1753.38</b>

As could be seen from the above tables, the employees' expenses increased significantly in FY 2019 for both the DISCOMs. The reasons stated by the DISCOMs in the petitions for such a significant increase are , the pay revision and provision made towards pension and terminal benefits of the employees. Therefore, the Commission's office obtained certified information from the DISCOMs through the

emails to examine the provisions made towards pension and terminal benefits of the employees. The Commission has observed the following from the certified information provided by the DISCOMs towards pension liabilities of APSEB origin employees.

**Table 34: APSPDCL: Pension provision of APSEB origin employees (Rs.Cr.)**

S. No.	FY	Pension Claim	Actual fund transferred	Provision made
1	FY2014-15	745.96	199.16	546.8
2	FY2015-16	352.38	202.63	149.75
3	FY2016-17	160.92	410.4	-249.48
4	FY2017-18	392.6	378.56	14.04
5	FY2018-19	1389.49	362.57	1026.92
<b>6</b>	<b>Total</b>	<b>3041.35</b>	<b>1553.32</b>	<b>1488.03</b>

**Table 35: APEPDCL: Pension provision of APSEB origin employees (Rs.Cr.)**

S.No.	FY	Pension claim	Actual transferred to trust	Provision made
1	FY2014-16	341.66	131.32	210.34
2	FY2015-16	123.04	27	96.04
3	FY2016-17	134.67	163.29	-28.62
4	FY2017-18	98.45	324.61	-226.16
5	FY2018-19	641.67	289.66	352.01
<b>6</b>	<b>Total</b>	<b>1339.49</b>	<b>935.88</b>	<b>403.61</b>

As could be seen from the above tables, APSPDCL has made a provision for Rs.1488.03 Cr. out of the total pension liability claim of Rs.3041.35 Cr. and, APEPDCL has made a provision for Rs.403.61 Cr. out of the total pension liability claim of Rs.1339.49 Cr. for the control period. It is also observed that the provisions made by the DISCOMs in FY19 are significant.

- H. APEPDCL, in addition to the above liability, has made a provision for future liability towards Earned Leave Encashment of the existing employees stated to be based on Indian Accounting standards and actuarial reports. The details of the provision are given in the table below:

**Table 36: APEPDCL: Earned Leave Encashment provisions (Rs.Cr.)**

S.No.	FY	Encashment leave claim (A)	Actual expenditure incurred (B)	Provision made (C) = (A) - (B)
1	FY2014-15	125.22	28.94	96.28
2	FY2015-16	128.95	40.07	88.88
3	FY2016-17	70.03	43.86	26.17
4	FY2017-18	121.99	24.51	97.48
5	FY2018-19	285.9	48.25	237.65
<b>6</b>	<b>Total</b>	<b>732.09</b>	<b>185.63</b>	<b>546.46</b>

As could be seen from the above table, APEPDCL has made a provision of Rs.546.46 Cr towards Earned Leave Encashment in the employees expenses.

- I. Further, some “miscellaneous provisions/losses/write-offs” were noticed under the “other expenses” head (note no 25) under A&G expenses during all the years of the control period in the APSPDCL audited books of accounts. The year wise details are indicated in the following table.

**Table 37: APSPDCL - Disallowed expenditure (A&G) (Rs. Cr.)**

S.No.	FY	Write-offs
1	2014-15	9.10
2	2015-16	1.25
3	2016-17	0
4	2017-18	62.93
5	2018-19	24.81
6	Total	<b>98.09</b>

The above table reveals a total amount of Rs.98.99 Cr. was incurred for the 3rd control period towards “miscellaneous provisions/losses/write-offs” and the same has been claimed by APSPDCL under A&G expenses in the petition. As regards the write-offs, the essential details such as transaction wise particulars, the amount involved in respect of each transaction, etc. have not been furnished in its filings. However, subsequently, the licensee has furnished the transaction wise particulars through email to the Commission in support of its claim. But, the claim for “miscellaneous provisions/losses/write-offs” cannot be allowed under the head A&G expenses, as

there were no approvals from the Commission for such transactions. Therefore, the claim by APSPDCL to the extent indicated in the table mentioned above is disallowed by the Commission.

- J. If the pension, leave encashment liabilities, and disallowed expenditure are excluded, the excess in the actual Employees and A&G expenses over the norms is Rs.169.52 Cr. in respect of APEPDCL and there is no excess over the norms for APSPDCL.

Sl.No	Item	APSPDCL	APEPDCL
1	Employees and A&G expenses in excess of the norms (Rs.Cr.)	1537.29	1119.59
2	Pensions liability provision (Cr.)	1488.03	403.61
3	Leave Encashment provision	0.00	546.46
3	Disallowed A&G expenses (Cr.)	98.09	0.00
4	Net Excess over the norms (Cr.)[(1)-(2)-(3)-(4)]	-48.83	169.52

- K. From the above, it is clear that the substantial variation in “Employees and A&G Expenses” is mainly on account of DISCOMs making a provision for future pension liabilities of the erstwhile APSEB Employees based on actuarial reports. One of the objectors has stated that the future liabilities of the employees' expenses shall be disallowed. This plea does not seem tenable for the reasons explained below.
- L. The Comptroller & Auditor General’s (C&AG) office letters dated 29.01.2019 & 01.07.2019 addressed to the Principal Secretary to Government, Energy, Infrastructure & Investment Department, GoAP, and the Secretary to Government, Energy, Infrastructure & Investment Department, GoAP respectively, have pointed out that during the audit of the all PSUs for Generation, Transmission, and Distribution for the financial year 2017-18, it was noticed that the PSUs did not make a provision of Rs.15,321.10 Cr. for the liabilities mentioned in respect of APSEB origin employees and thus profit/loss was over/under stated by the said PSUs. The C&AG pointed out further that in view of the revision of pay scales/pension w.e.f. 1st April 2018, there should be a substantial increase in the liability without which the accounts of the companies do not reflect the true and correct picture. The C&AG also pointed out that non-provisioning has a long-term impact on the financial health of the organization as well as it may adversely affect the interest of the employees who are in service /retired and they may not get adequate compensation if sufficient funds are not made available. The observations of the C&AG are also mentioned in the audited books of accounts of the DISCOMs.

- M. In this regard, it is also pertinent to note the judgment of the Apex Court in West Bengal Electricity Regulatory Commission Vs. CESC Limited (2002) 8 SCC 715, wherein it has been held that the employees' cost prudently incurred needs to be reimbursed to the utility. The Hon'ble APTEL followed the said judgment of the APEX Court in its Order dated 24.03.2015 in Appeal Nos. 55 of 2003, 77 of 2013, 194 of 2013, 259 of 2012, 63 of 2013, 143 of 2013, 158 of 2013, and 43 of 2014.
- N. Therefore, in the light of the above, the Commission is of the opinion that it is legally imperative for the licensees to make appropriate provision for payment of pension and retirement benefits and transfer the required amounts to meet this expenditure, to the appropriate trust. Though the O&M expenses are controllable items, the liability of payment of pension undoubtedly falls in the realm of uncontrollable factors. Therefore, the Commission is of the opinion that the additional expenditure incurred by the licensees under this item is liable to be passed on to the consumers in toto.
- O. We shall next examine whether the expenditure incurred in excess of the norms fixed deserves to be allowed or not. Norms were fixed based on the actual expenditure during the base year, i.e, FY2012-13, and projected for the subsequent years of control period at the inflation rate of 8.60 percent and, therefore, if the actual expenditure exceeds the norms, it is necessary to consider whether such excess expenditure is justifiable or not. If the DISCOMs provide proper justification, such excess expenditure needs to be approved as a pass through. As noted above, the case of the licensees is that due to two pay revisions in one control period, APEPDCL incurred the extra liability in excess of the fixed norms to the extent of Rs.169.52 Cr. excluding the pension and leave encashment liabilities. As in the case of incurring liability towards pension, this item also deserves to be treated as a controllable item having uncontrollable factors. Moreover, the excess expenditure is also not very substantial. Hence, the Commission is of the view that this item also shall be passed on to the consumer's account.
- P. In view of the acceptance of the pension and leave encashment liabilities with regard to APSEB origin employees and other employees by the Commission as discussed supra and this liability is shown to have already accrued, full payment appears to have not been made, apparently due to the employees not having retired so far and the DISCOMs have to inevitably honour their commitment as and when the employees retire. Therefore, the Commission **directs the DISCOMs to deposit the said claims in their respective 'Trusts' and report compliance to the Commission within one month from the expiry of the recovery period of the true-up.**



**ii. R&M Expenditure**

- A. The main submissions of the DISCOMs for the increase in R&M expenditure are the addition of gross fixed assets over and above the approved values and the increase in salaries for the outsourced employees w.e.f 01.04.2018. The APSPDCL has requested the Commission to exclude the amount of Rs.25 Cr. shown in R&M expenses spent on safety measures and treat this under the head “Special appropriations towards safety measures”. The Commission had approved this amount over and above the investment approved for R&M in MYT Order. Accordingly, after due examination of the information in this regard, the Commission has accepted the request of the APSPDCL. The comparative figures on R&M expenses, DISCOM wise are given in the following tables.

**Table 38: APSPDCL - R&M Expenses (Rs. Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	Percentage of variation with reference to the tariff order
1	FY2014-15	176.11	174.06	-1.16%
2	FY2015-16	199.89	260.43	30.29%
3	FY2016-17	218.39	291.70	33.57%
4	FY2017-18	235.77	313.00	32.76%
5	FY2018-19	256.52	471.75	83.90%
	Total	1086.68	1510.94	39.04%

**Table 39: APEPDCL - R&M Expenses (Rs. Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	Percentage of variation with reference to the tariff order
1	<b>FY2014-15</b>	83	67	-19.09%
2	<b>FY2015-16</b>	92	99	8.26%
3	<b>FY2016-17</b>	102	107	5.49%
4	<b>FY2017-18</b>	113	125	10.60%
5	<b>FY2018-19</b>	125	163	30.38%
	<b>Total</b>	<b>514</b>	<b>561</b>	<b>9.20%</b>

As could be seen from the above tables, the actual R&M expenses have exceeded the approvals in wheeling tariff order for the 3rd control period by 39.04% in respect of APSPDCL and 9.20% in respect of APEPDCL.

- B. The Commission has fixed 2.05 percent of the opening balance of the GFA of the relevant year as the R&M expense for that year, based on the average of the actual expenditure incurred. The Commission cross-checked the GFA figures submitted by the DISCOMs in the petitions with that from the audited annual books and found them to be matching. Therefore, as per norms, 2.05 percent of GFA is considered as R&M expense for each year for analysis and comparison. The comparative figures, DISCOM wise, are given in the following tables.

**Table 40: APSPDCL - R&M Expenses as per Norms (Cr.)**

S. No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	Expenses as per the Norms
1	FY2014-15	176.11	174.06	135.00
2	FY2015-16	199.89	260.43	196.00
3	FY2016-17	218.39	291.70	235.00
4	FY2017-18	235.77	313.00	260.00
5	FY2018-19	256.52	471.75	285.00
	Total	1086.68	1510.94	1111.00

**Table 41: APEPDCL - R&M Expenses as per Norms (Rs.Cr.)**

S. No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	Expenses as per the Norms
1	<b>FY2014-15</b>	83	67	82
2	<b>FY2015-16</b>	92	99	89
3	<b>FY2016-17</b>	102	107	100
4	<b>FY2017-18</b>	113	125	113
5	<b>FY2018-19</b>	125	163	134
	<b>Total</b>	<b>514</b>	<b>561</b>	<b>519</b>

As could be seen from the above tables, the actual R&M expenses have exceeded significantly over the amounts arrived at based on the norms in respect of APSPDCL whereas there is a marginal increase in respect of APEPDCL. Despite a significant increase in the salaries of the outsourced employees, the increase in the

R&M expenses of APEPDCL is marginal whereas, in respect of APSPDCL, the increase is significant. APSPDCL has not furnished any justification for the increase in R&M expenses except the reason that significant additions to the Gross Fixed Assets (GFA) have been made during the control period.

C. Further, on examination of books of accounts, the Commission noticed that APSPDCL booked the expenditure incurred towards the “**Domestic Efficient Lighting Programme (DELP)**” under R&M expenses (note 25 of audited annual books of accounts). The details are given in the following table.

**Table 42: APSPDCL - Disallowed expenditure (R&M) (Rs.Cr.)**

S.No.	FY	DELP Expenditure (part of RSTO) included in R&M
1	2014-15	0
2	2015-16	24.17
3	2016-17	52.19
4	2017-18	49.8
5	2018-19	47.54
6	<b>Total</b>	<b>171.9</b>

As could be seen from the above table, the total DELP expenditure booked by APSPDCL under R&M expenses is Rs.171.90 Cr for the 3rd control period. This amount was already permitted by the Commission to be recovered under the head “other costs” as a part of the Aggregate Revenue Requirement (ARR) of Retail Supply Business every year. APSPDCL, therefore, cannot claim any of the above expenditure under the R&M expense of its distribution business. Hence, the Commission is not inclined to allow this expenditure, as it amounts to a double claim. After deducting this DELP amount of Rs.171.90 Cr. from the R&M expense of Rs.1510.94 Cr. claimed by APSPDCL, the actual R&M expenses stand at Rs.1339.04 Cr which are more than the R&M expenses arrived at based on norms by Rs. 228.04 Cr. However, the increase in R&M expense over the norms is Rs. 42 Cr. only in respect of APEPDCL. The reasons stated by the DISCOMs in the petitions for the significant increase in the R&M expenses is due to the significant addition of GFA over that approved in the wheeling tariff order. However, it is seen from the comparative figures in the tables mentioned

above, the R&M expenses arrived at based on the actual GFA additions are less than the actual expenditure.

As the Commission is not satisfied with the reasons furnished by the DISCOMs for the increase in the R&M expenses over that arrived based on norms and keeping in view that it is a controllable item of the expenditure and also the objections on the steep increase over the norms, it is decided to limit the R&M expenditure to the norms for both the DISCOMs. Accordingly, the expenditure incurred over and above the norms is not shared with the consumers.

### iii. O&M costs approved by the Commission

After taking into account the employees, A&G expenses and R&M expenses approved as stated above with the capitalisation amounts as per the audit books, the net O&M expenses approved in the wheeling tariff order, actual claim of the DISCOMs, and the Commission's approval of O&M cost for 3rd control period in this order, DISCOM wise, are indicated in the tables below:

**Table 43: APSPDCL - O&M Expenses approved (Rs. Cr.)**

S. No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure Claimed	Approved as per this order	Disallowed Expenditure
		(A)	(B)	(C)	(B-C)
1	FY2014-15	1,315	2,097	2,049	48
2	FY2015-16	1,534	1,889	1,824	65
3	FY2016-17	1,730	1,768	1,712	56
4	FY2017-18	1,945	2,189	2,073	116
5	FY2018-19	2,196	3,933	3,721	212
	<b>Total</b>	<b>8,720</b>	<b>11,876</b>	<b>11,379</b>	<b>497</b>

**Table 44: APEPDCL - O&M Expenses approved (Rs. Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff Order (A)	Actual expenditure Claimed (B)	Approved as per this order (C)	Disallowed Expenditure (B-C)
1	FY2014-15	796	1109	1124	-15
2	FY2015-16	918	975	966	10
3	FY2016-17	1050	961	954	7
4	FY2017-18	1194	989	977	12
5	FY2018-19	1361	1999	1969	29
	<b>Total</b>	<b>5318</b>	<b>6033</b>	<b>5991</b>	<b>42</b>

**Return on capital employed (RoCE)**

- 440.** The DISCOMs have stated that RoCE is computed based on the actual RRB as per the procedure prescribed in Regulation 4 of 2005. They have further stated due to the changes in the costs of the items used in the formula specified in the Regulation for computing the RoCE, i.e., the increase in investments and assets additions, O&M costs, and the additional working capital requirement over the approved figures, have caused an increase in RoCE over that approved in the wheeling Tariff Order for 3rd CP. The year wise RoCE claims and for the entire 3rd control period, DISCOM wise are indicated in the following tables:

**Table 45: APSPDCL - Return on Capital Employed (RoCE) (Rs. Cr.)**

S.No.	FY	As per the Wheeling Tariff Order	Actual Claim	The loss/gain
1	FY2014-15	303.12	360.10	56.98
2	FY2015-16	328.25	439.09	110.84
3	FY2016-17	325.09	473.88	148.79
4	FY2017-18	319.84	451.24	131.40
5	FY2018-19	326.32	519.87	193.55
	<b>Total</b>	<b>1,602.62</b>	<b>2,244.18</b>	<b>641.56</b>

**Table 46: APEPDCL - Return on Capital Employed (RoCE) (Rs. Cr.)**

S.No.	FY	As per the Wheeling Tariff Order	Actual Claim	The loss/gain
1	FY2014-15	111.31	124.81	13.50
2	FY2015-16	120.86	132.86	12.00
3	FY2016-17	131.93	145.21	13.28
4	FY2017-18	143.11	167.71	24.6
5	FY2018-19	153.92	201.75	47.83
	<b>Total</b>	<b>661.13</b>	<b>772.34</b>	<b>111.21</b>

The Commission has examined the procedure adopted by the DISCOMs for computing the RoCE and all the items used in the computation and found that the same is in accordance with Regulation 4 of 2005. The DISCOMs excluded written-off amounts from depreciation and consumer contributions in the computation of RRB as per the regulation. Further, all the items used in the formula are as per the books of accounts and the rate of debt is as certified by the auditors which is less than that approved by the Commission in the MYT order. Therefore, all the objections of the stakeholders in this regard are taken care of by the Commission. One of the objectors linked ROCE to tax gains shown by the DISCOMs to which they furnished a satisfactory reply. Some stakeholders have correlated ROCE with Deprecation. The Depreciation can be correlated with RoCE to a limited extent only as ROCE depends on the capital assets added during the control period whereas depreciation depends on the life of the numerous assets of the DISCOMs which have different useful life periods and rates of depreciation.

But due to a change in the O&M costs, the working capital will undergo a change from that adopted by the DISCOMs. Accordingly, the RoCE computed by the Commission, DISCOM wise is shown in the tables below:

**Table 47: APSPDCL - RoCE Computed by the Commission (Rs. Cr.)**

S. No.	FY	As per Wheeling Tariff Order (A)	Actual Claim (B)	ROCE as per this Order (C)	Disallowed (D) = (B)-(C)
1	FY2014-15	303.12	360.15	359.97	0.18
2	FY2015-16	328.25	439.09	438.33	0.76
3	FY2016-17	325.09	473.88	473.28	0.60
4	FY2017-18	319.84	451.24	450.18	1.06
5	FY2018-19	326.32	519.87	517.97	1.90
	<b>Total</b>	<b>1602.62</b>	<b>2,244.23</b>	<b>2239.73</b>	<b>4.50</b>

**Table 48: APEPDCL - RoCE Computed by the Commission (Rs. Cr.)**

S. No.	FY	As per Wheeling Tariff Order (A)	Actual Claim (B)	RoCE as per this order (C)	Disallowed (D) = (B)-(C)
1	FY2014-15	111.31	124.81	124.95	-0.14
2	FY2015-16	120.86	132.86	132.77	0.09
3	FY2016-17	131.93	145.21	145.14	0.07
4	FY2017-18	143.11	167.71	167.59	0.12
5	FY2018-19	153.92	201.75	201.48	0.27
	<b>Total</b>	<b>661.13</b>	<b>772.34</b>	<b>771.93</b>	<b>0.41</b>

There is excess ROCE over that approved in MYT Order even after re-computation shown in the tables above. To examine whether to pass on this excess ROCE to the licensees or to the consumer or to share by them, the Commission has verified the actual T&D losses against the approved which are shown in the tables below:

Distribution Losses (%) - APSPDCL			
S.No	Year	Approved	Actual
1	2014-15	10.52	10.33
2	2015-16	8.75	8.47
3	2016-17	8.57	8.47
4	2017-18	8.52	8.31
5	2018-19	8.18	8.26



% Distribution loss -APEPDCL			
S. No	Financial Year	Approved	Actual
1	2014-15	8.26%	8.45%
2	2015-16	7.48%	6.95%
3	2016-17	7.49%	6.73%
4	2017-18	6.95%	6.70%
5	2018-19	6.49%	6.68%

As can be seen from the above, the actual T&D losses are less than the approved and the Commission has limited the losses to the approved value wherever it has exceeded and passed on the benefit of lower T&D losses to the consumers while arriving at the power purchase requirement and its cost to the consumers while finalizing the tariffs in RST Orders. The primary investments of the DISCOMs are aimed at network strengthening for reliability and quality supply and reducing T&D losses. Not allowing this excess ROCE would discourage the DISCOMs to invest towards the same and the consumer interests may suffer because of such actions. Therefore, the Commission is inclined to pass on this excess ROCE to the consumers.

#### Depreciation:

- 441.** The DISCOMs have stated that they have claimed the depreciation on the actual assets as per the books of accounts at the rates notified by the Ministry of Power in accordance with the wheeling tariff Order for 3rd CP. Accordingly, the depreciation loss/gain year wise and for the total 3rd control period, DISCOM wise are indicated in the following tables:

**Table 49: APSPDCL - Depreciation (Rs. Cr.)**

S. No.	FY	As per the Wheeling Tariff Order	Actual Claim	The loss/gain
1	FY2014-15	514.65	586.40	71.75
2	FY2015-16	693.73	716.19	22.46
3	FY2016-17	763.52	783.76	20.24
4	FY2017-18	829.19	720.59	-108.60
5	FY2018-19	907.31	826.77	-80.54
	<b>Total</b>	<b>3,708.40</b>	<b>3,633.71</b>	<b>-74.69</b>

**Table 50: APEPDCL - Depreciation (Rs. Cr.)**

S.No.	FY	As per the Wheeling Tariff Order	Actual claim	The loss/gain
1	FY2014-15	273.7	252.42	-21.28
2	FY2015-16	307.81	273.12	-34.69
3	FY2016-17	343.26	305.78	-37.48
4	FY2017-18	384.74	357.35	-27.39
5	FY2018-19	427.51	401.75	-25.76
	<b>Total</b>	<b>1737.02</b>	<b>1590.42</b>	<b>-146.6</b>

The Commission has verified the depreciation with reference to books of accounts and found the same as correct. For the total control period, both DISCOMs have shown gains. The objectors have stated that the depreciation rates are to be taken as per the CERC Orders whereas the DISCOMs have taken the rates notified by the Ministry of Power, GoI. The Commission in the MYT Order, after examination of all the aspects, adopted the depreciation rates as notified by the MoP in MYT order, and hence the depreciation rates adopted by the DISCOMs are in accordance with the Commission's directions. As both the DISCOMs have shown gains, the Commission is inclined to pass on these 100 percent gains to the consumers.

#### **Taxes on income**

- 442.** The DISCOMs have stated that they have not paid any tax as they incurred losses during the entire control period except for one year in respect of APEPDCL. The gain on “Taxes on Income” year wise and for the entire 3rd control period, DISCOM wise are indicated in the following tables:

**Table 51: APSPDCL - Taxes on Income (Rs. Cr.)**

S.No.	FY	As per the Wheeling Tariff Order	Actual claim	The loss/gain
1	FY2014-15	28.01	0.00	-28.01
2	FY2015-16	30.33	0.00	-30.33
3	FY2016-17	30.04	0.00	-30.04
4	FY2017-18	29.55	0.00	-29.55
5	FY2018-19	30.15	0.00	-30.15
	<b>Total</b>	<b>148.08</b>	<b>0.00</b>	<b>-148.08</b>

**Table 52: APEPDCL - Taxes on Income (Rs. Cr.)**

<b>S.No.</b>	<b>FY</b>	<b>As per the Wheeling Tariff Order</b>	<b>Actual claim</b>	<b>The loss/gain</b>
<b>1</b>	<b>FY2014-15</b>	10.29	0.00	-10.29
<b>2</b>	<b>FY2015-16</b>	11.17	0.00	-11.17
<b>3</b>	<b>FY2016-17</b>	12.19	0.00	-12.19
<b>4</b>	<b>FY2017-18</b>	13.22	2.20	-11.02
<b>5</b>	<b>FY2018-19</b>	14.22	0.00	-14.22
	<b>Total</b>	<b>61.09</b>	<b>2.20</b>	<b>-58.89</b>

The Commission has examined the audited books of accounts and found that the DISCOMs have incurred losses during all the years, except marginal profit earned by APEPDCL during FY 2017-18. One of the objectors has contended that the gain on account of taxes should be passed on to the consumers on a yearly basis as per regulation as it is an uncontrollable item. The objector may note that these are the savings in the provision by the licensees due to the losses incurred and hence there is no physical gain. However, for arriving at the aggregate loss/gain of all the controllable items, as there is no expenditure incurred as approved, it has been shown as a gain for accounting purposes. Therefore, the Commission is inclined to pass on these gains in toto to the consumers.

#### **Special appropriations for safety measures:**

- 443.** APSPDCL has furnished the auditors' certificate to show that the amount spent towards the "Special appropriation for safety measures" year wise has been included in the R&M expenses. Hence, the Commission has excluded the above amount from the R&M expenses and included it under the special appropriate head for the purpose of comparison and admissibility. With the above modification to the filings, the special appropriate amounts as filed by the licensees for the entire 3rd control period are shown in the following tables:

**Table 53: APSPDCL - Special Appn. for Safety Measures (Rs. Cr.)**

<b>S.No.</b>	<b>FY</b>	<b>Expenditure as per the Wheeling Tariff Order</b>	<b>Actual expenditure incurred</b>	<b>The loss/gain</b>
<b>1</b>	<b>FY2014-15</b>	5.73	4.36	-1.37
<b>2</b>	<b>FY2015-16</b>	5.87	5.18	-0.69
<b>3</b>	<b>FY2016-17</b>	5.87	7.05	1.18
<b>4</b>	<b>FY2017-18</b>	5.87	5.46	-0.41
<b>5</b>	<b>FY2018-19</b>	5.87	8.20	2.33
	<b>Total</b>	<b>29.21</b>	<b>30.25</b>	<b>1.04</b>

**Table 54: APEPDCL - Special Appn. for Safety Measures (Rs. Cr.)**

<b>S. No.</b>	<b>FY</b>	<b>Expenditure as per the Wheeling Tariff Order</b>	<b>Actual expenditure incurred</b>	<b>The loss/gain</b>
<b>1</b>	<b>FY2014-15</b>	5.00	0.00	-5.00
<b>2</b>	<b>FY2015-16</b>	5.00	0.00	-5.00
<b>3</b>	<b>FY2016-17</b>	5.00	0.00	-5.00
<b>4</b>	<b>FY2017-18</b>	5.00	0.00	-5.00
<b>5</b>	<b>FY2018-19</b>	5.00	0.00	-5.00
	<b>Total</b>	<b>25.00</b>	<b>0.00</b>	<b>-25.00</b>

The DISCOMs have stated that they are spending sufficient amounts towards safety measures in the distribution network as directed by the Commission. But they have not maintained a separate head in books of accounts and included it in R&M expenses. The objectors have pointed out that the expenditure spent towards safety measures is part of R&M and therefore the claim under this head is not allowable. But the Commission has approved this expenditure over and above the R&M expenditure in MYT order for the 3rd CP and hence the same needs to be examined with reference to its approvals vs claims by the DISCOMs. The gain shown in the filings under this head is due to the consideration of this expenditure under the "other heads" in the books of accounts by APEPDCL and hence it has not benefited and whereas APSPDCL's expenditure has been approved as shown in the table above though it has marginally exceeded the approval by Rs.1.04 Cr. The small marginal loss shown by the APSPDCL and the gain shown by the APEPDCL are passed on to the consumers.

However, it is noted that the number of electrocutions has been increasing every year as pointed out by some objectors. The increase in the number of electrical accidents and electrocutions is a matter of grave concern and it is imperative that the DISCOMs shall take effective measures to prevent electrical accidents. The DISCOMs shall ensure safety not only to its employees and workers but also to the public. **In this regard, the licensees are hereby directed that they shall strictly abide by the directions issued by the Commission in the Retail Supply Tariff Order for FY2021-22 on safety aspects.**

#### Other expenditure

- 444.** APEPDCL has stated that the increase in other expenditure is due to the Hud-Hud cyclone in FY15 and Titli cyclone in FY19, whereas APSPDCL has stated that the expenditure incurred against the items specified under the head “other expenditure” is Rs.1.78 Cr. only out of Rs.170.33 Cr. claimed as per the audited reports, and that the balance expenditure of Rs. 168.55 Cr. has been considered under the A&G head as the items are related to A&G expenses. e.g. Vehicle running expenditure, Vehicle hire charges, training expenses, material handling expenses, Material transport charges, consumer meet expenditure, incidental store expenditure, etc. The Commission, after the due verification, accepts the request of APSPDCL and includes the same in A&G expenditure as discussed supra. With this modification to APSPDCL filing, the amounts spent under the “other expenditure” head, year wise and for the entire 3rd control period, DISCOM wise, are shown in the following tables:

**Table 55: APSPDCL - Other Expenditure (Rs. Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff Order	Actual expenditure incurred	The loss/gain
1	FY2014-15	0.32	0.12	-0.20
2	FY2015-16	0.37	0.23	-0.14
3	FY2016-17	0.34	0.33	-0.01
4	FY2017-18	0.41	0.33	-0.08
5	FY2018-19	0.34	0.78	0.44
	<b>Total</b>	<b>1.78</b>	<b>1.79</b>	<b>0.01</b>

**Table 56: APEPDCL - Other Expenditure (Rs. Cr.)**

<b>S. No.</b>	<b>FY</b>	<b>Expenditure as per the Wheeling Tariff Order</b>	<b>Actual expenditure incurred</b>	<b>The loss/gain</b>
<b>1</b>	<b>FY2014-15</b>	0.55	159.85	159.30
<b>2</b>	<b>FY2015-16</b>	0.64	18.39	17.75
<b>3</b>	<b>FY2016-17</b>	0.65	7.04	6.39
<b>4</b>	<b>FY2017-18</b>	0.57	14.50	13.93
<b>5</b>	<b>FY2018-19</b>	0.35	164.79	164.44
	<b>Total</b>	<b>2.76</b>	<b>364.57</b>	<b>361.81</b>

The Commission after the examination of books of accounts of APEPDCL, found that Rs.6.66 Cr. paid towards compensation to the victims of electrical accidents in FY19 was shown under “other expenditure”. The Commission has permitted APEPDCL to recover the same under “other heads” as a part of ARR for its retail supply business in Retail Supply Tariff Order for FY19. Hence, APEPDCL cannot claim this expenditure under distribution business again, as it amounts to claiming the same amount twice. Hence, this amount is disallowed. Similarly, Rs.86.82 Cr. is shown in books of accounts under “other expenditure” stated to have been received as a Central Financial Assistance (CFA) towards Hud Hud cyclone and the same has not been accounted for in the claim made in the petitions. Also, some write-offs were noticed in the books of accounts under the head “other expenditure” and the APEPDCL has not submitted transaction wise details for the same, much less lent any justification for such write-offs. Hence, the Commission is not inclined to allow this expenditure also. Accordingly, the disallowed expenditure under “other expenditure” in respect of APEPDCL is shown in the table below:

**APEPDCL:**

<b>S. No.</b>	<b>FY</b>	<b>Write-offs in other Expenditure</b>	<b>CFA received/ Expenditure covered in RST Order</b>	<b>Total</b>
1	2014-15	0.66		0.66
2	2015-16	1.3		1.3
3	2015-16	13.22		13.22
4	2016-17	5.53	86.82	92.35
5	2017-18	10.25		10.25
6	2018-19	48.68	6.66	55.34
7	Total	79.64	93.48	173.12

**Table 57: APEPDCL - Other Expenditure - Excess over approval (Rs.Cr.)**

S.No.	FY	Expenditure as per the Wheeling Tariff Order (A)	Actual Claim (B)	Excess over approval (C)	Disallowed expenditure (D) = (B) - (C)
1	FY2014-15	0.55	159.85	159.19	0.66
2	FY2015-16	0.64	18.39	3.87	14.52
3	FY2016-17	0.65	7.04	-85.31	92.35
4	FY2017-18	0.57	14.50	4.25	10.25
5	FY2018-19	0.35	164.79	109.45	55.34
6	Total	2.76	364.57	191.45	173.12

The objectors have pointed out that the expenditure under the 'other head' is neither controllable nor uncontrollable item as per extant regulations and therefore the same shall not be allowed. The Commission has approved these expenses under 'other head' in the MYT Order for 3rd CP. As expenditure under other head is in addition to the expenditure approved towards R&M in the MYT order, the same shall be treated separately. Hence the Commission is inclined to allow this claim and the entire loss shown by the APEPDCL in this regard is to be passed to the consumers as the same falls under clause 10.8 of Regulation 4 of 2005 and as this expenditure is beyond the control of the licensee.

#### Non-tariff income (NTI)

**445.** The DISCOMs have filed the actual non-tariff income as per the books of accounts. The loss/gain in non-tariff income, year wise, for the total 3rd control period and DISCOM wise, are shown in the following tables:

**Table 58: APSPDCL - Non-Tariff Income (Rs. Cr.)**

S. No.	FY	Income as per the Wheeling Tariff Order	Actual Income	The loss/gain
1	FY2014-15	107.35	239.04	131.69
2	FY2015-16	438.99	321.99	-117.00
3	FY2016-17	471.68	393.93	-77.75
4	FY2017-18	506.77	392.99	-113.78
5	FY2018-19	546.82	641.77	94.95
	Total	2,071.61	1,989.72	-81.89



**Table 59: APEPDCL - Non-Tariff Income (Rs. Cr.)**

S. No.	FY	Income as per the Wheeling Tariff Order	Actual Income	The loss/gain
1	<b>FY2014-15</b>	97.38	143.26	45.88
2	<b>FY2015-16</b>	146.31	155.73	9.42
3	<b>FY2016-17</b>	160.28	173.27	12.99
4	<b>FY2017-18</b>	175.76	203.65	27.89
5	<b>FY2018-19</b>	189.71	225.91	36.20
	<b>Total</b>	<b>769.44</b>	<b>901.82</b>	<b>132.38</b>

APSPDCL, in its reply to the question raised by the FAPCCI, stated that an amount of Rs.211.24 Cr. pertaining to income from the sale of Renewable Energy Certificate is included in the miscellaneous income for FY 2018-19 and that the same is not related to the current petition, vide Lr.No.ED/RAC&Plg/SPDCL/TPT/GM/RAC/F.No.3rd CP MYT/D.No.471/21, Dt:30.10.2021. The relevant portion of reply furnished by APSPDCL to FAPCCI is shown below:

Items of Non - Tariff Income (Rs. Crs.)	2014-15	2015-16	2016-17	2017-18	2018-19	Total
i) Staff Loans & Advances	0.15	0.14	0.16	0.94	0.31	1.70
ii) Fines & Penalties from Suppliers & Contractors	7.08	8.03	7.62	11.04	13.04	46.81
iii) Profit on Sale of Scrap	9.61	4.68	-1.68	-20.19	0.84	-6.74
iv) Sale of Tender Schedules	0.68	1.13	1.18	1.00	0.38	4.37
v) Rental from Contractors	0.16	0.19	0.07	0.06	4.45	4.93
vi) Supervision Charges	0.08	0.13	6.47	7.37	8.10	22.15
vii) Withdrawal from Consumer Contribution towards Depreciation on Fixed Assets	201.82	235.13	268.43	322.95	380.46	1408.79
xiii) Miscellaneous Income	19.46	72.56	111.68	69.82	234.20	507.72
Total	239.04	321.99	393.93	392.99	641.77	1989.72

Accordingly, APSPDCL requested the Commission to reduce the amount of Rs.211.24 crore from the figure stated under the head “Non-Tariff Income” for FY 2018-19 of its filings. The Commission after examining APSPDCL’s submission found that the Rs.211.24 Cr. has already been adjusted against APSPDCL’ true-up claim determined

in the Commission's order dated 26.11.2020 in the matters of true-up of Retail Supply Business for FY2014-15, FY2016-17, FY2017-18, and FY2018-19. Hence, the same has been excluded from the filing of APSPDCL while comparing the non-tariff income with reference to the approval in the MYT Order for the 3rd control period. The comparison of Non-tariff income, after the modification, is indicated in the following table.

**Table 60: APSPDCL - Non-Tariff Income (Rs. Cr.)**

S. No.	FY	Income as per the Wheeling Tariff Order	Actual Income	The loss/gain
1	FY2014-15	107.35	239.04	131.69
2	FY2015-16	438.99	321.99	-117.00
3	FY2016-17	471.68	393.93	-77.75
4	FY2017-18	506.77	392.99	-113.78
5	FY2018-19	546.82	430.53	-116.29
	<b>Total</b>	<b>2071.61</b>	<b>1778.48</b>	<b>-293.13</b>

After the above modification to the SPDCL filing on Non-tariff income, the Commission has verified the books of accounts and found that there is no separate break-up of non-tariff income for the distribution and retail supply businesses as pointed out by some of the objectors. Hence, the information on non-tariff income, as certified by the statutory auditors, has been obtained from the DISCOMS through emails.

As can be seen from the tables above, APSPDCL showed a loss of Rs.293.13 Cr whereas APEPDCL showed a gain of Rs.132.38 Cr. Though the Non-Tariff income is a controllable item, the loss or gain in this item is not under the control of the licensees due to uncontrollable factors. Hence, the Commission is inclined to pass on the 100 percent gain or loss in this item to the consumers.

**The annual audited books of accounts of the DISCOMs have not clearly segregated the accounts of Retail Supply Business and Distribution Business in accordance with the regulations. Therefore, the DISCOMs are directed to clearly segregate the accounts of the Distribution Business and Retail Supply Business in their annual accounts henceforth i.e., from FY2023-24 without fail in accordance with the regulatory requirements.**

- 446.** In view of the foregoing and after netting off the gains shown by the DISCOMs in some of the controllable and uncontrollable items of the Distribution Business and the disallowed expenditure, the year wise losses arrived at by the Commission vis-a-vis that filed by the DISCOMs in the petitions are indicated in the tables below:

<b>FY</b>	<b>Claimed by APSPDCL (A) (Cr.)</b>	<b>Approved by the Commission (B) (Cr.)</b>	<b>Diff (A-B) (Cr.)</b>
<b>FY2014-15</b>	750	701	49
<b>FY2015-16</b>	575	509	66
<b>FY2016-17</b>	256	199.68	56.32
<b>FY2017-18</b>	351	234	117
<b>FY2018-19</b>	1727	1725	2
<b>Total</b>	<b>3659</b>	<b>3368.68</b>	<b>290.32</b>

<b>FY</b>	<b>Claimed by APEPDCL (A) (Cr.)</b>	<b>Approved by the Commission (B) (Cr.)</b>	<b>Diff (A-B) (Cr.)</b>
<b>FY2014-15</b>	404	419	-15
<b>FY2015-16</b>	27	3	24
<b>FY2016-17</b>	-136	-236	100
<b>FY2017-18</b>	-238	-260	22
<b>FY2018-19</b>	769	684	85
<b>Total</b>	<b>826</b>	<b>609</b>	<b>216</b>

- 447.** The item wise loss or gain and total aggregate loss computed by the Commission for the distribution business for the 3rd control period vis-a-vis that filed by the DISCOMs are indicated in the tables below:

**Table 61: APSPDCL: The aggregate loss for the 3rd control period (Rs. Cr.)**

<b>Item of ARR</b>	<b>Approved in MYT</b>	<b>Modified claim permitted</b>	<b>Approved in this order</b>	<b>Deviation</b>
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D=C-A</b>
O & M Expenses (Net of O&M Expenses Capitalized)	<b>8,720.05</b>	11,877	11,379	2,659
Return on Capital Employed	<b>1,602.63</b>	2,244	2,239	637
Depreciation during the year	<b>3,708.40</b>	3,634	3,634	(75)
Taxes on Income	<b>148.08</b>	0	0	(148)
Special Appn. For Safety measures	<b>29.22</b>	30	30	1
Other Expenditure	<b>1.78</b>	2	2	0
<b>Gross ARR</b>	14,210.14	17,787	17,285	3,074
Revenue of Distribution cost factored in Retail ARR	<b>11,560.41</b>	11,560	11,560	0
Non-Tariff Income	<b>2,071.61</b>	1,778	1,778	(293)
True-up for 1st Control Period	<b>578.12</b>	578	578	0
<b>The aggregate loss for 3rc CP</b>	0.00	3,870	3,368	3,368

**Table 62: APEPDCL: The aggregate loss for the 3rd control period (Rs.Cr.)**

Item of ARR	Approved in MYT	Actual claim	Approved in this order	Deviation
	A	B	C	D=C-A
O & M Expenses (Net of O&M Expenses Capitalized)	5,318.34	6,033.28	5,991.00	672.66
Return on Capital Employed	661.13	772.33	771.93	110.80
Depreciation during the year	1,737.02	1,590.42	1,590.42	-146.60
Taxes on Income	61.09	2.20	2.20	-58.89
Special Appn. for safety measures	25.00	0.00	0.00	-25.00
Other Expenditure	2.76	364.57	191.45	188.69
True-up for 1st Control Period	83.94	83.94	83.94	0.00
<b>Gross ARR</b>	7889.28	8846.74	8630.94	741.66
Revenue of Distribution cost factored in Retail ARR	7,119.84	7,119.84	7,119.84	0.00
Non-Tariff Income	769.44	901.82	901.82	132.38
<b>The aggregate loss for 3rc CP</b>	0.00	825.08	609.28	609.28

**Carrying Costs;**

- 448.** The extant regulation does not explicitly provide for carrying cost on the aggregate loss or gain. But, at the same time, the Commission is not barred from awarding the same by exercising its discretion. However, in order to spare the consumers from a huge burden in the form of carrying costs, the Commission decides not to pass on the huge carrying costs of Rs.2,230 Cr and Rs.510 Cr. claimed by APSPDCL and APEPDCL respectively in their petitions as pass through to the consumers' account.

**Grants;**

- 449.** Some of the objectors have requested the Commission to adjust the financial support received from the GoAP under the UDAY Scheme and the financial restructuring plan from the claims to be permitted in this Order. However, as per the books of accounts, the DISCOMs are already reeling under huge losses to the extent of Rs.20,000 Cr as of 31.03.2019. Therefore, any adjustments under these heads without an in depth scrutiny would adversely affect the DISCOMs' finances and do not augur well for the consumers as the financially distressed DISCOMs would not be in a position to offer better services to the consumers. Therefore, the Commission for the present restricts itself to the determination of the aggregate loss of the Distribution Business only for the 3rd control period and the manner of treating the grants received under the UDAY or any other scheme will be decided by the Commission as and when the DISCOMS file their True up petitions for complete Retail Supply Business before it, for the 3rd CP.

**Commission's View on other issues raised by the stakeholders**

**450.** After crystallizing the loss amounts item wise for the distribution business for the 3rd control period in the above manner, the Commission would now like to discuss other issues raised by the stakeholders before it finalizes the methodology for the recovery of the true-up amounts from the consumers. The various issues raised by the stakeholders and Commission's views on the same are discussed in the following paragraphs.

**451. Contention:** Dispense with the MYT system and direct all the licensees for annual filings along with true-up of the previous year to avoid hefty burdens on the consumers.

**Commission's View:** As per section 86(4) of the Electricity Act, 2003, the Commission shall be guided by the National Electricity Policy, National Electricity Plan, and National Tariff Policy published under Section 3 in the discharge of its functions. Clause 5.11(h) of the national tariff policy reads as below:

*"h. Multi Year Tariff*

*1) Section 61 of the Act states that the Appropriate Commission for determining the terms and conditions for the determination of tariff shall be guided, inter-alia, by Multi-Year Tariff (MYT) principles. The framework should feature a five-year control period. The initial control period may, however, be of 3 year duration for transmission and distribution if deemed necessary by the Regulatory Commission on account of data uncertainties and other practical considerations. In cases of lack of reliable data, the Appropriate Commission may state assumptions in MYT for the first control period and a fresh control period may be started as and when more reliable data becomes available.*

*2) In cases where operations have been much below the norms for many previous years, the initial starting point in determining the revenue requirement and the improvement trajectories should be recognized at "relaxed" levels and not the "desired" levels. Suitable benchmarking studies may be conducted to establish the "desired" performance standards. Separate studies may be required for each utility to assess the capital expenditure necessary to meet the minimum service standards.*

*3) Once the revenue requirements are established at the beginning of the control period, the Regulatory Commission should focus on regulation of outputs and not the input cost elements. At the end of the control period, a comprehensive review of performance may be undertaken.*

*4) Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of adverse natural events.*

*5) Clear guidelines and regulations on information disclosure may be developed by the Regulatory Commissions. Section 62 (2) of the Act empowers the Appropriate Commission to require licensees to furnish separate details, as may be specified in respect of generation, transmission and distribution for determination of tariff."*

The Commission notified the tariff regulation 4 of 2005 on distribution and retail supply businesses in accordance with the National Tariff Policy and has been amending it from time to time to keep it abreast of the changes in the regulatory environment. Further, this regulation provides for the pass-through of the variations in the power purchase costs on a quarterly basis and pass-through of variations in the costs of other uncontrollable items on an annual basis apart from providing for the periodical review of the Distribution Licensees' performance during the control period by the Commission to ensure smooth implementation of the MYT framework. The said costs account for the bulk of variations in distribution and retail supply costs. For the aforementioned reasons, there is no need to dispense with the MYT regulation.

With regard to the suggestion to direct the DISCOMs and APTransco to submit their true-up/true-down claims annually relating to multi-year tariffs determined by the Commission, a comprehensive review can be taken up only at the end of the control period as per National Tariff Policy.

- 452. Contention:** Subsidized consumers under non-agricultural categories are being deprived of the benefit of subsidy and cross-subsidy under true-up claims of the Discoms and this anomaly can be rectified if the true-up amounts are included in the annual ARRs.

**Commission's View:** As per the extant regulations, the variations in uncontrollable items such as power purchase cost which consists of about 70 percent of the ARR is passed on annually as part of ARR, and accordingly, the Commission included the power purchase cost variation of FY2019-20 and FY2020-21 in the ARR determined for FY2022-23. Whereas in respect of the true-up of the distribution business, the methodology for recovery is not specified explicitly. The true-up exercise is only a reconciliation of the actual expenditure with reference to the approval as the tariffs are determined based on the best possible estimations. The principle of cross subsidization can not be applied to the true-up process as there is no vested right in

any consumer to demand subsidy from the Government or cross subsidies from other categories of consumers.

- 453. Contention:** Remove the ambiguity, who should pay true-up, ie, whether the consumers who consumed power during the period of true-up claims or other consumers presently consuming power in the same dwelling/establishment under the same service connection.

**Commission's View:** The DISCOMs are having legally binding supply agreements for all the supply connections and accordingly the registered consumers who entered into agreements with the licensees are liable to pay the true-up charges, if any.

- 454. Contention:** There is no need for bifurcation of accounts of the Distribution business and Retail Supply Business as it paves way for privatisation.

**Commission's View:** This is only an apprehension of the objectors. irrespective of the segregation of accounts, the information pertaining to the Distribution and Retail supply business is available in annual accounts and the extant regulation specifies clear segregation for easy cross verification by all the stakeholders.

- 455. Contention:** Spread the recovery of the admissible additional expenses over a 5 year period or at least over the 30 months remaining period of the succeeding control period 2019-24.

**Commission's View:** The Commission would allow the licensee to recover true-up charges over a reasonable period to avoid hardship to the consumers.

- 456. Contention:** True-up charges shall be collected from the consumers who availed supply on their actual consumption basis during the 3rd control period but not based on present connected load and consumption.

**Commission's view:** The Commission is in agreement with the above contention and appropriate direction will be issued in this regard.

- 457. Contention:** There is no justification for allowing different true-up charges in each DISCOM's area.

**Commission's view:** As stated by the DISCOMs, the cost of supply for each DISCOM and average revenue realisation per unit are different for each DISCOM. The cost primarily depends on the sales mix of various categories and power supply agreements. The variations in cost due to power supply agreements to the greater extent are nullified due to the DISCOM to DISCOM transaction and collective operation of the merit order for three DISCOMs together. But the sales mix depends on geographical and economical conditions that prevail in the supply area of each



DISCOM which are beyond the control of the DISCOMs.

- 458. Contention:** Once the Distribution Business ARR has been trued-up with so much of the gains/losses as may be passed through to the consumers, it is necessary that the ARR be apportioned as between 33kV, 11 kV, and LT following the methodology set out in para 113 of the Distribution Tariff Order dated 09.05.2014.

**Commission's View:** The Commission has to determine the wheeling charges in respect of the open access consumers as per section 42 of the Electricity Act, 2003, and accordingly, the wheeling charges were determined at para 113 of the Distribution wheeling tariff Order dated 09.05.2014 for the 3rd control period. Based on the Retail Supply Demand of the DISCOMs, the DISCOMs have taken distribution cost into their retail supply ARR and the present exercise of the true-up is limited to the Distribution cost incurred by the DISCOMs in its retail supply business for its retail supply consumers. The true-up is only reconciliation of actuals with reference to the approvals and not tariff fixing exercise under section 62 of the Electricity Act, 2003. Hence, the true-up amounts need not be apportioned voltage wise as contended by the objectors.

- 459. Contention:** The consumers of EHT (132 kV and above) are to be exempted from Distribution true-up charges as they are not connected to the Distribution network.

**Commission's view:** There is a clear distinction between retail supply business and distribution business and also between the open access consumers and the consumers availing supply from retail supply from the DISCOMs. The Distribution part considered under the true-up exercise pertains to the Distribution cost allocated to the retail supply business of the DISCOMs. This part of the Distribution cost is a part of ARR and cost of service of all the consumers of the Retail Supply Business and hence any true-up amount is to be collected from all classes of consumers equitably. Further, it is also clear that the true-up amounts determined are 100 percent relating to the employees and A&G expenses in respect of EPDCL after passing gains and 90 percent of the true-up amount relating to the employees and non-tariff income for APSPDCL. Logically, the variations in employee expenses and A&G employees are to be shared equally among all the consumers irrespective of their supply voltage. Further, as can be seen from the break up of non-tariff income statements furnished by APSPDCL to one of the objectors, its major component is withdrawal from consumer contribution towards Depreciation on Fixed Assets and miscellaneous income from all its consumers irrespective of the supply voltage. The consumer contributions towards fixed assets include the buildings and offices, the metering equipment supplied to all the categories of the consumers irrespective of their supply voltage. Furthermore, the transmission losses methodology approved by this

Commission vide its letter dated 22.08.2011 directed the Transco to consider the interface point at Transco Substation in respect of EHT connected retail supply consumers of the DISCOMs for computing Transmission loss. Therefore, the losses in the EHT line between the Transco Substation and the EHT consumer location are accounted in the distribution loss of the DISCOMs and which are shared to all the consumers while grossing up the sales with Distribution sales to arrive at the power purchase requirement of the consumers of 33 kV and below. Keeping all the above points in view, the Commission has decided to permit the true-up amount determined for DISCOMs in this order equitably among all the categories of the consumers irrespective of their supply voltage.

- 460. Contention:** Sharing of Gains/Losses in a fair ratio between the Distribution Licensee and the Consumer.

**Commission's view:** For the reasons already explained against each controllable item while determining aggregate loss or gain, the Commission is not inclined to apportion any part of the loss to the licensees (except disallowing certain amounts of expenditure in various heads) and is also inclined to pass on gains shown by the licensees 100 percent to the consumers. Moreover, the Commission is also not allowing either carrying cost or any interest on true-up amounts to be recovered from the consumers during the recovery period to give relief to the consumers.

- 461. Contention:** Non-submission of variations in un-controllable items yearly is a violation of Regulations.

**Commission's view:** It is true that the DISCOMs are mandated to present gains and losses for each controllable item of the ARR in their annual filings during the control period as per clause 10.6 of Regulation 4 of 2005. But, the spirit of the Regulation is MYT filings in respect of Retail Supply Business also. When the DISCOMs file MYT for Retail Supply Business, the presentation of gains and losses for each controllable item of the ARR in their annual filings does not arise. In any event, the failure of the DISCOMs to comply with the above clause does not bar the Commission from determining the true-up amounts as per the section 61 (d) of the Electricity Act, 2003 to recover the cost of electricity in a reasonable manner while safeguarding the consumer interest.

- 462. Contention:** True-Ups for the retrospective period shall not be allowed. Industries/businesses price their products and services for the immediate financial year based on the raw material costs including that of the electricity. With the levy of true-up charges related to the past period, they cannot go back now and collect the extra expenditure due to the true-up charges from their clients/consumers who purchased their products/services in the past.

**Commission's view:** The Commission determines the tariffs based on the ARRs and Revenues estimated and filed by the Licensees. As there are bound to be differences between the estimates and the actuals, the true-ups for the past periods are inevitable. Further, the spirit of section 64(2) of the Electricity Act, which permits true-up of tariff due to variations in the fuel costs pertaining to the past period; is to allow the true-ups for the past period. Thus, in a true sense true-up is nothing but the determination of the precise liability of the consumers for the relevant period. Therefore, the question of retrospective levy does not arise.

- 463. Contention:** For consumption from captive plants and through agreements, there should be no true-up.

**Commission's view:** The true-up charges are levied on the energy drawn from the DISCOMs only and not on the energy wheeled from the captive power plants and through open access agreements. Therefore, the contention of the objectors is misplaced.

#### **Recovery of the true-up amounts**

- 464.** Based on the views expressed by the Commission supra while replying to various issues raised by the objectors, the Commission directs the DISCOMs to collect the True-up charges from all the categories of consumers as detailed below:
- 465.** Before proposing the recovery methodology, the Distribution cost determined in respect of APSPDCL has to be apportioned between APCPDCL as it became operational only from 01.04.2020 separating from APSPDCL. Hence the total true-up amount determined has been apportioned in the power sharing ratio as approved by the GoAP. Accordingly, the True-up amounts work out to Rs.2135.60 Cr for APSPDCL and Rs.1232.56 Cr for APCPDCL, out of the total true-up amount of Rs.3368 Cr.
- 466.** Hence, the total true-up amounts to be recovered from the consumers are Rs.2135.60 Cr, Rs.1232.56 Cr and 609 Cr. for APSPDCL, APCPDCL, and APEPDCL respectively.
- 467.** The Commission has obtained the audited sales (MUs) during the 3rd control period in respect of each company which are shown in the table below:

S.No	Year	APSPDCL	APCPDCL	APEPDCL	Total
1	2014-15	16456.06	9905.47	13812.37	40173.90
2	2015-16	17593.07	11119.30	15185.99	43898.36
3	2016-17	19379.67	11354.82	16443.36	47177.86
4	2017-18	19257.18	12077.85	18656.61	49991.64
5	2018-19	22171.30	12717.61	19678.14	54567.05
		94857.29	57175.05	83776.47	235808.81

- 468.** Based on the sales for the total control period, the Commission has computed the true-up cost per unit to be recoverable from the consumers as shown in the table below:

S. No	Period	APSPDCL	APCPDCL	APEPDCL
1	Sales in MUs during the 3rd control period (FY2014-15 to FY2018-19)	94857.29	57175.05	83776.47
2	true-up amount in Cr. to be recovered from the consumers of the 3rd control period	2135.60	1232.56	609
3	True-up amount per unit in Rupees	0.23	0.22	0.07

- 469.** As per the per unit cost of true-up shown in the table above, the subsidy payable by the GoAP towards free power supply extended to the agricultural farmers is shown in the table below:

	APSPDCL	APCPDCL	APEPDCL	STATE
Total Agl sales during the 3rd control period (MUs)	34122.27	10100.39	11083.96	55306.62
Per unit true-up cost (Rs)	0.23	0.22	0.07	
Total Subsidy to be payable by the GoAP to the DISCOMs (Rs.Cr.)	768.22	217.74	80.57	1066.54

The above subsidy payable by the GoAP has been accounted for in the Revenue gap to be determined for FY 2022-23 in Chapter VII of volume I of this Order. In addition to the above, the GoAP has extended free power to certain classes of consumers and the same may be recovered from the GoAP through separate claims by the DISCOMs in this regard. The remaining amount is to be recovered from all other categories of consumers as stated below;

- 470.** Based on the per unit true-up cost determined in this order, the DISCOMs shall determine the total true-up amount to be recovered from each consumer based on his consumption during the 3rd control period.
1. The true-up charges shall be collected from the registered consumers only.
  2. With a view to avoiding sudden financial burden on the consumers, the Commission finds it appropriate to prescribe a reasonable recovery period, as requested by many of the objectors. Considering the fact that the per unit charges true-up cost for the consumers of APSPDCL and APCPDCL is higher compared to the consumers of APEPDCL, the Commission directs that APSPDCL and APCPDCL

shall recover the true-up costs in 36 monthly instalments commencing from 01-08-2022. APEPDCL shall recover the true-up costs in 18 monthly instalments commencing from 01-08-2022. With a view to spare the consumers of interest burden, the Commission further directs that the instalment payments shall not carry any interest.

3. Equal monthly instalments of True-up shall be clearly shown in the CC bills issued every month.
4. The true-up charges shall not be applicable to the supply connections taken on/after 01.04.2019.
5. In respect of the service connections which were taken over by the new entities under the corporate insolvency resolution plan approved by the committee of creditors under the Insolvency and bankruptcy code 2016 dated 16.12.2019, the DISCOMs shall act as per law.

**CHAPTER- XVI**  
**True-up of Transmission Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**

**In the matter of True-up of Transmission Business for**  
**3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19)**

**in**

**O. P. No 46 of 2020**  
**Transmission Corporation of Andhra Pradesh Ltd.** ....  
**Petitioner**

**and**

**Eastern Power Distribution Company of Andhra Pradesh Ltd,**  
**Southern Power Distribution Company of Andhra Pradesh Ltd,**  
**A P Central Power Distribution Corporation Ltd.** ....  
**Respondents**

**Introduction**

- 471.** In this Chapter, the Commission proposes to deal with the True-up of Transmission Business for the 3<sup>rd</sup> Control Period (FY2014-15 to FY2018-19) of Transmission Corporation of Andhra Pradesh Ltd. based on its filing.
- 472.** Transmission Corporation of Andhra Pradesh Ltd. (in short “the APTRANSCO”) has filed a petition on 12.03.2020 for true-up of its transmission businesses for 3<sup>rd</sup> control period (FY2014-15 to FY2018-19). The petition has been taken on the record of the Commission as O.P.No. 46 of 2020. A public notice along with a copy of the original petition of the APTRANSCO was placed on the website of the Commission on 20.11.2020 inviting objections/views/suggestions from the stakeholders and informing them that the web hearing on the petition would be held on 23.12.2020. APTRANSCO was directed to place a public notice and a copy of the petition on its website inviting views/objections/suggestions from all the stakeholders on the petition. During the web based public hearing on 23.12.2020, Sri M. Venugopala Rao, learned objector has rightly pointed out, that APDISCOMS are necessary and proper parties to this petition, as they are required to bear the additional liability, if any, payable under true-up order. Sri P. Shiva Rao agreed to implead all the three DISCOMS as respondents. Accordingly, the three DISCOMS were served notices by the Commission fixing the next web hearing date as 24-03-2021. During the public hearing on 24-03-2021, Smt. Vanaja representing APSPDCL and Sri A. Ravi Kumar,

Chief General Manager, APEPDCL have submitted that they have no objection for being impleaded. Accordingly, APEPDCL and APSPDCL were impleaded as respondents. The representatives of both the DISCOMS have requested time for submitting their respective responses in the O.P. and accordingly, the next web hearing was fixed on 23-06-2021 which was subsequently postponed to 30.06.2021 for administrative reasons. Meanwhile, APTRANSCO filed an amendment petition impleading APSPDCL, APEPDCL, and APCPDCL (in short “the DISCOMS”) and the DISCOMs have filed their views on the petition by the web hearing date on 30-06-2021. Subsequent web hearings on the petition were held on 04-08-2021, 22-09-2021.

**473.** As the response to the petitions from the public was poor during the above hearings, the Commission vide letter dated 21-10-2021 has directed APTRANSCO to publish notifications in newspapers to inform the public about its filing and the final public hearing date of 24.11.21, and to invite views/objections/suggestions on the filing. In compliance with the directions of the Commission, APTRANSCO published notifications in one (1) Telugu daily newspaper (‘Sakshi’ on 28.10.2021) and in one (1) English daily newspaper (‘Times of India’ on 28.10.2021) - (Annexure-14), informing the public about its filings and the date of final hearing through the web along with other relevant details. It was also informed in the notification that all the interested persons/associations/ stakeholders /objectors may submit their written views/objections/ suggestions on the said petition before the date of the final public hearing and those who want to be heard in person/through their authorized representatives may appear before the Commission on the said date of the public hearing through the web. Accordingly, the petition came up for final hearing through the web on 24.11.2021.

**474.** During the final web hearing on 24.11.2021, Sri Ch. Babu Rao CPI(M), Sri Shreekanth Vijay Dhuri, Sri Shiva Kumar and Sri M. Venugopal Rao, learned objectors, have made their oral submissions. Sri P. Shiva Rao learned standing counsel for the petitioner has replied to the objections orally. After hearing the objectors and learned standing counsel for the petitioner and after considering the material available on record, the Commission passes the following order.

#### **APTRANSCO filings**

**475.** APTRANSCO, in its filings, has quoted the following applicable regulatory provisions for consideration of its true-up by the Commission.



**Clause 17 of Regulation 5 of 2005:****CORRECTIONS FOR “UNCONTROLLABLE” ITEMS AND “CONTROLLABLE” ITEMS AND SHARING OF GAINS/LOSSES OF “CONTROLLABLE” ITEMS**

The Transmission Licensee shall file its proposals for pass-through as well as sharing of gains/losses on variations in “uncontrollable” items of ARR and “controllable” items (indexed to external parameters) in accordance with clause 10 of this Regulation.

**Clause 10 of Regulation 5 of 2005:****MULTI-YEAR TARIFF FRAMEWORK AND APPROACH**

- 10.1 The multi-year tariff framework shall be based on the following approach, for calculation of ARR and expected revenue from tariff and charges.
- 10.2 Base Year:- Values for the Base Year of the Control Period will be determined based on the audited accounts available, the best estimate for the relevant years and other factors considered appropriate by the Commission, and after applying the tests for determining the controllable or uncontrollable nature of various items. The Commission will normally not revisit the performance targets even if the targets are fixed on the basis of base values of un-audited accounts.
- 10.3 Targets:- Targets will be set for items that are deemed by the Commission as “controllable”. The trajectory for specific variables may be stipulated by the Commission where the performance of the applicant is sought to be improved upon through incentives and disincentives.
- 10.4 Controllable and Uncontrollable items of ARR:- The expenditure of the Transmission Licensee considered as “controllable” and “uncontrollable” shall be as follows:

**TRANSMISSION BUSINESS****ARR Item****“ Controllable” /“Uncontrollable”**

Operation & Maintenance expenses	Controllable
Return on Capital Employed	Controllable
Depreciation	Controllable
Taxes on Income	Uncontrollable
Non-tariff income	Controllable

10.5 Pass-through of gains and losses on variations in “uncontrollable” items of ARR:- The Transmission Licensee shall be eligible to claim variations in “uncontrollable” items in the ARR for a Control Period in the filings for the subsequent Control Period depending on the availability of data as per actuals with respect to the effect of uncontrollable items:

Provided that the Commission shall allow the financing cost on account of the time gap between the time when the true-up becomes due and when it is actually allowed and the corrections shall not be normally revisited.

10.6 Gains and losses on variations in “controllable” items of ARR:- The Transmission Licensee in its filings for a Control Period shall present a statement of gains and losses for each controllable item of the ARR for the previous control period. The gains and losses for each item shall be presented after adjusting for any variations, if any, on account of uncontrollable factors with details thereof.

10.7 For the purpose of sharing gains and losses with the users, only aggregate gains or losses for the Control Period as a whole will be considered. The Commission will review the gains and losses for each item of ARR and make appropriate adjustments wherever required.

10.8 Notwithstanding anything contained in this Regulation, the gains or losses in the controllable items of ARR on account of *force majeure* factors shall be passed on as an additional charge or rebate in ARR over such period as may be specified in the Order of the Commission.

**476.** APTRANSCO stated that APERC has approved the Aggregate Revenue Requirement (ARR) for APTRANSCO of the undivided Andhra Pradesh for the period from FY2014-15 to FY2018-19. As the state of Andhra Pradesh was bifurcated into the State of Telangana and the residuary State of Andhra Pradesh as per the AP Reorganization Act 2014, the activity of APTRANSCO has been limited since then to the 13 districts of the Residuary State of Andhra Pradesh. The energy allocated to AP is considered as 46.11% as per GO.Ms.No.20, Dt:08.05.2014. Accordingly, transmission charges were billed on the DISCOMS as per the above percentage.

**477.** The detailed calculations of true-up claimed by APTRANSCO are shown in the (Annexure -16) and a summary of the same is given in the table below:

**Table 63: Actual financial performance of APTRANSCO during 3rd CP**

Parameter	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	Total
<b>Expenditure</b>	<b>INR Crs</b>	<b>1041.31</b>	<b>787.02</b>	<b>929.68</b>	<b>1156.72</b>	<b>1376.93</b>	<b>5291.66</b>
Gross O&M Costs	INR Crs	696.92	483.13	557.73	602.10	768.10	3107.98
O&M Carrying Costs	INR Crs						0.00
Depreciation	INR Crs	286.14	273.54	335.65	518.70	604.29	2018.32
Taxes incl. MAT	INR Crs	36.99	28.58	33.47	35.92	4.54	139.50
Special Appropriation	INR Crs						0.00
Other Expenditure	INR Crs	21.26	1.77	2.83			25.86
Terminal Benefits	INR Crs						0.00
<b>Expenses Capitalized</b>	<b>INR Crs</b>	<b>89.01</b>	<b>97.75</b>	<b>106.94</b>	<b>69.78</b>	<b>91.42</b>	<b>454.90</b>
IDC Capitalized	INR Crs						0.00
O&M Expenses Capitalized	INR Crs	89.01	97.75	106.94	69.78	91.42	454.90
<b>Net Expenditure</b>	<b>INR Crs</b>	<b>952.30</b>	<b>689.27</b>	<b>822.74</b>	<b>1086.94</b>	<b>1285.51</b>	<b>4836.76</b>
<b>ROCE (As per Annexure)</b>	<b>INR Crs</b>	<b>314.65</b>	<b>309.29</b>	<b>443.01</b>	<b>605.68</b>	<b>673.87</b>	<b>2346.50</b>
<b>Gross ARR</b>	<b>INR Crs</b>	<b>1266.95</b>	<b>998.56</b>	<b>1265.75</b>	<b>1692.62</b>	<b>1959.38</b>	<b>7183.26</b>
<b>Total Revenue</b>	<b>INR Crs</b>	<b>1113.69</b>	<b>1195.08</b>	<b>1140.60</b>	<b>1482.68</b>	<b>1722.50</b>	<b>6654.55</b>
Non-Tariff Income	INR Crs	71.63	123.26	166.18	102.60	201.36	665.03
Revenue from Tariff	INR Crs	1042.06	800.48	974.42	1380.08	1521.14	5718.18
<b>True down as per True-up order dated 07.11.2015</b>			271.34				271.34
<b>Surplus /(Deficit)</b>	<b>INR Crs</b>	<b>-153.26</b>	<b>196.52</b>	<b>-125.15</b>	<b>-209.94</b>	<b>-236.88</b>	<b>-528.71</b>

- 478.** APTRANSCO stated that in the FY2016-17 & FY2017-18, it has passed on the following credit amounts shown in the table below to the DISCOMS on their request.

**Table 64: Credit amounts (Cr.) passed on to the DISCOMS during FY2016-17 & FY2017-18**

Financial Year	APEPDCL	APSPDCL	Total (Cr.)
2016-17	127.24	229.73	356.97
2017-18	30.81	56.19	87.00
Total (Cr.)	158.05	285.92	443.97

**479.** The item-wise and year-wise deviations (approved vs actual) filed by APTRANSCO for the 3rd control period are shown in the table below:

**Table 65: Item wise deviations (Approved vs actuals) of ARR during the 3rd control period**

Parameter	Deviation (Cr.)					Total (Cr.)	
	2014-15	2015-16	2016-17	2017-18	2018-19	Approved by APERC	Actual
<b>Expenditure</b>	-253.19	72.19	113.24	-3.95	-173.59	5046.34	5291.66
<b>Gross O&amp;M Costs</b>	-268.61	-66.15	-103.10	-109.00	-232.68	2328.44	3107.98
<b>O&amp;M Carrying costs</b>						0.00	0.00
<b>Depreciation</b>	79.50	126.88	200.05	85.06	5.97	2515.78	2018.32
<b>Taxes</b>	-2.53	13.23	19.11	19.99	53.12	242.41	139.50
<b>Special Appropriation</b>	-40.29	0.00	0.00	0.00	0.00	-40.29	0.00
<b>Other Expenditure</b>	-21.26	-1.77	-2.83	0.00	0.00	0.00	25.86
<b>Expenses Capitalized</b>	10.91	0.54	-14.38	26.17	14.23	492.36	454.90
<b>IDC Capitalized</b>	0.00	0.00	0.00	0.00	0.00		
<b>O&amp;M Expenses Capitalized</b>	10.91	0.54	-14.38	26.17	14.23	492.36	454.90
<b>Net Expenditure</b>	-264.10	71.65	127.62	-30.12	-187.82	4553.98	4836.76
<b>RoCE</b>	128.54	292.52	313.88	199.04	156.06	3436.54	2346.50
<b>Gross ARR</b>	-135.56	364.17	441.50	168.92	-31.76	7990.53	7183.26
<b>Total Revenue</b>	-114.12	-117.65	209.21	-10.87	-198.46	6422.67	6654.55
<b>Non Tariff Income</b>	-0.61	-60.88	-100.74	-33.95	-129.31	339.55	665.03
<b>Revenue from Tariff</b>	-113.51	214.57	309.95	23.08	-69.15	6083.12	5718.18
<b>True down (APERC Order Dt:07.11.2015)</b>		-271.34					271.34
<b>Surplus/ (Deficit)</b>	21.44	-481.82	-232.29	-179.79	-166.70	-1567.86	-528.71

- 480.** APTRANSCO proposed to collect the true-up amount from the DISCOMS as shown in the table below:

Distribution Company	Power capacity allocation ratio	Amount (Cr.)
APEPDCL	36.22%	191.498
APSPDCL	40.44%	213.81
APCPDCL	23.34%	123.401
Total	-	528.709

- 481.** APTRANSCO has also stated reasons for the deviations item wise and the same would be discussed in the Commission's analysis in the subsequent paras.

### Views/Objections/Suggestions

- 482.** The main objection of one of the respondents, i.e., APEPDCL is that as stated by APTRANSCO, 46.11% of the combined ARR of Transmission Business which was approved in the Transmission Tariff Order for the 3rd control period was billed on APDISCOMS. But, power from certain Generating Stations located in the geographical area of Andhra Pradesh was scheduled to Telangana DISCOMs and vice versa till June-2017. That the % share of Telangana DISCOMs in the PPAs is higher than that of APDISCOMs and more shared plants are located in the AP geographical area, resulting in net flows from the AP State to Telangana DISCOMs. Further, due to Wheeling / Open Access Agreements, there were wheeling transactions between the two States. Transmission Charges levied on the above transactions are not mentioned in this True-Up petition and such additional revenue accrued on account of Transmission of Electricity from AP to TS shall need to be deduced from the claim.

**APTRANSCO's response:** APTRANSCO has stated that it has raised invoices on TSTRANSCO/DISCOMS towards Transmission charges and also invited them for entering into agreements with APTRANSCO. But they have not come forward and intimated that "There is no mandate to APTRANSCO to claim any Transmission and SLDC charges beyond the direction of Commission". As the issue is yet to be resolved, the amounts are not shown in the True-up petition. However, petitions were filed before CERC and APERC for the determination of YTC for interstate and Intrastate Transmission lines. The realized amounts will be adjusted/passed on to APDISCOMS.

- 483.** The other respondent, i.e., APSPDCL's objection is that one of the reasons for deviations in the ARR is the reduction in revenue due to various subsidies/exemptions extended to solar / wind / hybrid projects pursuant to the policies of the State Government. APTRANSCO has extended various concessions in the form of waiver of

Transmission Charges & Losses to various Renewable Energy (RE) Projects who availed Open Access. Therefore, APTRANSCO shall take measures for reimbursement of such amounts from the Govt. of AP instead of loading the same on the DISCOMs.

**APTRANSCO's response:** APTRANSCO has stated that it will follow the directions of the Commission in this regard.

**484.** Further, in response to the public notice, views/objections/suggestions have been received from Sri. M. Venugopala Rao, Hyderabad, Sri. Ch. Babu Rao, CPI (M), FAPCCI, Bhavya Cements Pvt. Limited, Hyd and Chettinad Cement Corporation Pvt. Limited. The objectors' views/objections/suggestions and APTRANSCO's responses are as detailed below:

**485.** Sri. M. Venugopala Rao and Sri Ch. Babu Rao, CPI (M) have stated that the reduction in revenue due to various subsidies and exemptions extended by Govt. of AP to Solar, Wind, and Hybrid projects should be compensated by the GoAP. That it is unfair to impose the above burden on the consumers of DISCOMS. That suitable amendments to the existing Regulations can be taken up by the Commission to avoid ambiguity on who should bear the burden of such concessions and exemptions.

**APTRANSCO's Response:** APTRANSCO has stated that as per the policies of the GoAP and APERC's Regulations/ Guidelines, it has provided various concessions/exemptions to Renewable Energy Projects. The revenue loss due to the exemption of Transmission charges to RE Generators works out to Rs.63 Crores for the 3rd Control Period. APTRANSCO addressed a letter to the GoAP with a request to arrange for reimbursement of Rs. 63.07 Crores. That APTRANSCO addressed a letter to the Commission with a request to amend the relevant Regulations in line with the GO Ms. No 35 dated 18.11.2019 issued by the GoAP. The above GO was challenged and the matter is subjudice. APTRANSCO has no objection if the Commission takes up the issue suo-motu and amends the existing Regulations appropriately.

**486.** Sri. M. Venugopala Rao also stated that APTRANSCO has not submitted details pertaining to the reduction of transmission losses achieved vis-a-vis the year-wise loss trajectory approved by the Commission for the third control period. That even though the transmission losses are within the limits approved by the Commission for the 3rd control period, APTRANSCO is making claims for true-up, contending that several measures are being taken to reduce the transmission losses further and that the benefits due to the reduction of transmission losses during the third control period have not led to any true-down but claims are made for spending on other measures to reduce the transmission loss. That APTRANSCO should have sought and got the approval of the Commission for executing projects for creating additional capacities and the expenditures incurred in this regard are not explained. That APTRANSCO has

not furnished details of the contracted capacity and whether it exceeded the limit determined by the Commission for the third control period. That though the actual capacity exceeded the approved capacity by 4400 MW at the end of the third control period, the number of substations executed was lesser by 42. That due to the backing down of a large quantity of surplus power from FY2015-16 to FY2018-19, transmission and distribution capacities were under-utilized. That the gross O&M costs increased by Rs.779.54 crores and all other expenditures determined by the Commission turned out to be inflated. Despite such reductions in actual expenditure and an increase in total revenue from Rs.6422.67 crores approved by the Commission to Rs.6654.55 crores, APTRANSCO has claimed a true-up of Rs.528.71 crores. The impact of pay revision on tariffs needs to be regulated as the same is being passed on to the consumers in the form of tariffs. He requested the Commission to examine the need for regulating increase in O&M costs in a prudent manner by determining the components that impact pay revisions. That pay revision does not fall within the regulatory jurisdiction of the Commission and that periodical pay revision also is imperative. However, the Commission can determine the permissible impact of pay revision as a part and parcel of O&M expenditure by adopting prudent norms. He also requested amendments to the Open Access Regulation (Regulation 2 of 2005) and Interim Balancing and Settlement Code (Regulation 2 of 2006).

**APTRANSCO's Response:** That the Transmission losses are within the limits approved by the Commission for the 3rd control period. The Transmission losses approved by APERC and actual values achieved are given below:

#### Transmission losses in %

Year	Approved	Actuals
2014-15	4.02	3.37
2015-16	4.02	3.37
2016-17	4.01	2.92
2017-18	3.98	3.13
2018-19	3.95	3.10

That efforts are being made for further reduction of losses and some of the measures that are being taken are: installation of automatically controlled capacitor banks in EHT SS, replacement of old Metering equipment (CT/PT & EMs) with new & Higher



accuracy equipment, replacement of aged/old conductors of overloaded lines having more than 2% losses in a phased manner. That the benefits of reduction of Transmission losses may not have led to true-down due to other factors. But technically, reduction of Transmission losses has benefited APTRANSCO substantially by way of improvement of Voltage profiles, reduction in overloading of conductors, etc. Reduction of Transmission losses is essential for maintaining Quality Power to the consumers. That all major transmission schemes/projects are being submitted to the Commission for approval duly furnishing the project details. Post the approvals, the licensee is executing the major schemes.

That the annual variations between installed generation capacities (MWs) and the approvals for the third control period are furnished below.

<b>Description</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Approved- Allocated Capacities to AP as per Tariff Order</b>	9917.80	11034.58	11715.17	12260.19	12812.12
<b>Actual Capacity Additions</b>	331.27	3685.02	2873.00	1664.44	956.24
<b>Total actual Capacity</b>	8039.63	11724.65	14597.65	16262.09	17218.33
<b>Variation w.r.t Approved</b>	-1878.17	690.07	2882.48	4001.90	4406.21

That the difference of around 4400 MW between the actual capacity and that approved in the tariff order at the end of the control period is mainly due to the rapid penetration of Renewable Energy (RE) sources into the AP Grid during the control period to the extent of 6000 MW as per G.O. Ms. No. 39, energy (res-a1) department dated 26-09-2012 (solar policy) and G.O.Ms.No.9 Energy, Infrastructure & Investment (PR.II) department dated:13.02.2015 (Wind Policy). Apart from the above, there is a delay in the actual commissioning of certain projects beyond the scheduled dates which also caused annual variations. Backing down of projects depends on various aspects such as must-run status of RE generation, merit order dispatch, etc.

That the Transmission Planning is generally carried out as per the guidelines of the CEA for the installed capacity. The expansion of the transmission network will be carried out considering the

1. New generating capacities that are likely to be added and
2. Additional load growth forecasted.

APTRANSCO also has stated that except for Transmission lines meant for exclusive evacuation purposes, the remaining lines are utilized both for evacuation as well as for meeting load growth. Evacuation lines **are being** finalized after conducting a thorough load flow analysis for their optimum utilization. The utilization of lines depends on the despatches from the plant which in turn are based on various factors such as load, demand, time of the day, merit order dispatch, etc.

That the deviation in O&M costs is due to the following factors which were beyond their control.

Excess Addition of OCFA: The actual assets addition during the 3rd CP is Rs.7760.94 Crs. against the approved value of Rs.6821.12 Crs (58.32%) as per Tariff order, thus an additional amount of Rs. 939.82 Cr was capitalized compared to the approval. This is due to the additions of assets that were originally contemplated in the 2nd control period and could not be commissioned due to ROW issues and other various reasons and spilled over to the 3rd control period. Thus, there is an excess addition of 7Nos. Substations and 1296 CKM of lines.

APTRANSCO has further stated that the pay revisions that occurred in FY2014 & FY2018 were not factored in the filing of ARR & FPT filings for the 3rd Control Period as it becomes the benchmark for the Unions and Associations of the employees for claiming the fitment & other allowances in the wage negotiations. Similarly, the wages of outsourced employees have also increased twice (as per Labor department rules) in the 3rd Control period. The occurrence of multiple pay revisions in a Control period is a rare event. The pay revisions were determined in a systematic manner, duly following established guidelines such as forming a committee, negotiations with unions, etc., and upon final approval by the Govt. only, the Pay Revisions were implemented. All these factors have cumulatively affected the O&M and R&M costs. Even though the above expenditures are controllable in nature, the variations occurred due to uncontrollable factors. Hence, APTRANSCO requests the Commission to consider the above expenditure. R&M expenses were arrived at based on the actual opening GFA which is less than the approved opening GFA.

That Gujarat Electricity Regulatory Commission issued Tariff Order (Case No. 1837 of 2019, 26th March 2020) on Truing-up for FY2018-19 & Determination of Tariff for FY2020-21 wherein the impact of the 7th Pay Commission has been considered based on the actual payout.

That the details of Substations approved and that were actually executed are given below:

Sub-station	Approved in Tariff Order	Approved (for residuary AP) (58.32%)	Actuals
400kV SSs	11	6	9
220kV SSs	36	21	22
132kV SSs	74	43	46

- 487.** FAPCCI has stated that as per the APERC Transmission Tariff Regulations 2005, O&M expenses are 'Controllable' expenses which cannot be considered as pass through unless it is a case of force majeure. In view of the provisions of the above Tariff Regulations, the variations in respect of 'controllable' expenses are not allowable. As per clause 10.8 of the said Regulation, only the gains and losses on account of factors that are beyond the control of the Petitioner – force majeure – are to be allowed. They requested the Commission to limit the net O&M expenses to the value as approved in the MYT Order dated 09.05.2014.

That the depreciation ought to be computed as per the CERC rates following the procedure listed in the Tariff Regulation, 2005. In the instant petition, the Transmission Licensee has computed depreciation using the rates notified by the Ministry of Power (MoP), GOI, and incorporated the same into the RRB and expenditure calculations. The objector requested the Commission to allow the depreciation for the control period FY2014-19 after due prudence check. That APTRANSCO has claimed other expenses to the tune of Rs.25.86 Crores which are mainly due to the Hud-Hud cyclone. That any amount received towards Central Financial Assistance ought to be deducted. The Transmission licensee ought to insure all its assets against any natural calamity such as Flood, Cyclone, Fire, etc. The Commission may outright disallow the true-up claim of APTRANSCO in this regard. That the Commission may a) Share Gains/Losses in a fair ratio between the Transmission Licensee and the Consumer and b) The portion of Trued-up/down amount refundable/recoverable from the Consumers on the basis of the above ratio, may be passed on in the prospective ARR.

**APTRANSCO's Response:** APTRANSCO has furnished a similar reply as supra on controllable expenses. That the Commission adopted the depreciation rates of the Ministry of Power for computation of Depreciation as per Clause No.25 (2) of Regulation No.5 of 2005. That the Commission also stated that adopting two different depreciation rates- one for annual accounts and one for regulatory accounts may impair the efficiency of the True-UP exercise conducted by the Commission with consequent deleterious impact on the efficiency gains. Further, clause 15.2 of

Regulation permits the Commission to determine the depreciation only “generally” based on the CERC guidelines. It does not mandate a complete and total adoption of the CERC guidelines. In view of the above, MoP rates and procedures were adopted for the computation of depreciation. That normalcy of supply was restored immediately during the Hud-Hud cyclone by utilizing APTRANSCO funds to minimize interruption/inconvenience to consumers on a contingency basis. Regarding the insurance of assets, the estimated insurance premium against Fire, Earthquake, Terrorism works out to around Rs.50 crores per annum totaling to an amount of Rs.257 Crores for the entire Control period. Based on the analysis of past data/experience of such accidents/incidents, it was decided to meet the expenditure when incidents occur from APTRANSCO funds instead of insuring the assets of APTRANSCO at a huge cost which anyhow has to be borne by DISCOMS/Consumers ultimately. That APTRANSCO took up the restoration works on war footing instead of waiting for the release of funds from other agencies to minimize the interruption/inconvenience to the consumers. Further, no assistance has been received by APTRANSCO either from the GoAP or GoI in this regard. That even though the True-up expenditures are controllable in nature, the variations occurred due to uncontrollable factors such as spillover of 2nd control period works due to ROW issues, court cases, wage revisions of outsourced employees due to Labor Commission directions, and non-factoring of Employee pay Revisions. That while preparing the MYT filings, the wage revision effect is not considered as it becomes the benchmark for the Unions and Associations of the employees for claiming the fitment & other allowances in the wage negotiations. APTRANSCO will follow the directions of the Commission regarding sharing of gains/losses.

- 488.** Bhavya Cements Pvt. Limited and Chettinad Cement Corporation Pvt. Ltd, have stated that the claimed Employees Cost, A&G Expenses, and O&M Expenses are without prejudice. The GFA to be considered for all purposes in true-up (viz R&M, RRB, depreciation, etc.) will have to be limited to the approved GFA or the actual GFA whichever is lower. It is also necessary to ascertain the gross value of the assets which are no longer in use in each financial year and to remove such value from the GFA. The GFA to be considered for the purposes of R & M expenses is the approved Opening GFA as per the approved investment plan or the actual opening GFA whichever is less. That it is not clear from the petition as to how the depreciation has been computed. That unless expressly shown by pleadings and evidence that they are due to uncontrollable factors, no part of such losses can be passed through to the consumers. Moreover, Other Expenditure is classified neither as an uncontrollable item nor as a controllable item in Clause 10.4, and therefore it is not an item subject to truing up in terms of Clause 10.5 to 10.7 or 10.8 of the Regulation. The losses are entirely to the licensee’s account. That levying true up charges on the consumers is

against the Tariff policy of the Central Government contemplated under Section 3(3) of Electricity Act, 2003 as per which availability of electricity to consumers at reasonable and competitive rates has to be ensured. No specific formula/device has been formulated in the Tariff Policy for sharing of gains and losses with the consumers as part of the overall MYT framework. Therefore, any determination of true-up in the present proceedings cannot by itself result in any additional tariff. That the RRB calculation for RoCE has to be on the basis of the GFA as approved in the investment plan or the actual GFA whichever is lower. Return on the Capital Employed (RoCE) is to be computed having regard to the submissions supra on the GFA, RRB, and working capital and should be borne by the licensee alone. That with respect to Controllable Items, the sharing of gains ought to be allowed only if the gain has been due to any identifiable efficiency improvement in the working of the utility, and not otherwise. The licensees have not pleaded or demonstrated by details or evidence of any force majeure circumstances with respect to any of the losses in any controllable item. The licensee has to present a statement of gain/loss against each controllable item after adjusting variations on account of uncontrollable factors. The licensees have failed and omitted to make any proposals for sharing. On the contrary, their approach appears to be that all losses in controllable items are also to be passed through.

**APTRANSCO's Response:** AP Transco has furnished a similar reply as supra in respect of similar issues. It has stated that it filed the True-Up petition as per APERC Regulation 5 of 2005. That the RRB calculation for RoCE is done based on actual GFA in line with the Regulation. The Actual RoCE is within the limits of APERC's approval. That the additional expenditure is due to factors that are beyond the control of APTRANSCO. That comparative statements are furnished in respect of actual expenditure Vs approved / allowed expenditure in the petition.

#### **COMMISSION'S Views/Analysis/Decision**

- 489.** In the light of the various issues raised by the stakeholders and the replies furnished to the same by APTRANSCO, the Commission would verify all the claims item-wise in accordance with the relevant regulation as detailed hereunder to arrive at the final permissible true-up amount. APTransco has considered 58.32 percent of the ARR for the residuary State of Andhra Pradesh, out of the total ARR approved in the MYT Order for the 3<sup>rd</sup> control period for the undivided State of Andhra Pradesh, in its computations. However, the Commission has considered this percentage as 46.11 in its analysis and computations.

#### **O& M Costs:**

- 490.** The Commission has made a comparative statement as shown below:

**Table 66: The comparative analysis on gross O&M costs for 3rd CP (Cr.)**

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP) as per filings	Approved for Residual AP (@ 46.11 of erstwhile AP) as per the Commission's computations	Actuals as per True-up filings	variation over 58.32% of the Tariff order	variation over 46.11% as per the Tariff order
1	2	3= (2*58.32%)	4=(2*46.11%)	5	6 = (3-5)	7 = (4-5)
2014-15	656.25	428.31	361.54	696.92	-268.61	-335.38
2015-16	714.98	416.98	329.68	483.13	-66.15	-153.45
2016-17	779.54	454.63	359.45	557.73	-103.10	-198.28
2017-18	845.51	493.1	389.86	602.10	-109.00	-212.24
2018-19	918.08	535.42	423.33	768.10	-232.68	-344.77
Total	3914.36	2328.44	1863.86	3107.98	-779.54	-1244.12

As could be seen from the above, the actual gross O&M costs have increased by Rs.1244.12 Cr over the control period with reference to the approval (46.11 percent share). APTRANSCO has stated in its filings that the increase in O&M Costs is mainly driven by the length of the lines and number of SS. Employee Costs which constitute a major portion of the O&M expenses include salaries of the staff, payments related to Pension & Gratuity Contribution to the Trust as per Actuarial Valuation Report, surrender leave, various medical allowances, leave travel allowances and other allowances. APTRANSCO also stated that the salaries of employees were revised in FY2014-15 and FY2018-19 due to which the O&M Expenses are considerably higher than the expenses estimated by the Commission in the Transmission Tariff Order for FY2014-19. APTransco in its replies to the objectors further stated that the two wage revisions in one control period are rare events and though the O&M costs are a controllable item as per the regulation, the variation beyond the approvals is due to uncontrollable factors such as mandatory pay revisions and wage agreements. Per contra, the objectors have stated that though the wage revisions are imperative, the Commission can determine the permissible impact of pay revision as a part and parcel of O&M expenditure by adopting prudent norms. The objectors also contended to limit the O&M expenditure to the approved value as it is a controllable item.

The Commission in order to examine further, the breakup of actual O&M expenses, has obtained the details of APTransco subsequently as per their audit reports which are given in the table below:

**Table 67: break up of actual gross O&M expenditure for 3rd control period**

Year	Employee Cost	Adm & General	R&M Expenses	Total
2014-15	538.20	35.80	122.92	696.92
2015-16	319.68	38.86	124.59	483.13
2016-17	369.12	50.92	137.69	557.73
2017-18	388.90	63.92	149.27	602.09
2018-19	481.61	86.04	200.45	768.10
TOTAL	2097.51	275.54	734.92	3107.97

Out of the total employees' expenses, the P&G trust liabilities are shown in the table below:

**Table 68: Pension liabilities of the employees -3rd control period**

Year	P&G Liability Provided	P&G Liability Paid
2014-15	273.12	260.74
2015-16	72.49	142.10
2016-17	81.16	47.64
2017-18	127.19	28.98
2018-19	123.44	67.24
TOTAL	677.40	546.70

As could be seen from the above tables, the employees' expenses are more than two thirds of the total O&M Costs. Out of the total employees' expenses, one third is towards pension & gratuity liability.

To take a decision on whether to admit the above additional expenditure, the Commission examined the O&M norms fixed in MYT transmission tariff Order dated 9.05.2014 which are shown below:



**Table 69: Norms for O&M expenditure as per MYT transmission order for 3rd CP**

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	SS Norm (Rs./ bay)	1561811	1627407	1695758	1766980	1841193
2	LL Norm (Rs./ ckt.km)	53766	56024	58377	60829	63384

The Commission has obtained the actual length of lines and bays from APTRANSCO (APTRANSCO Lr. No.34/22 dated 07.03.2022) during the 3rd control period which are shown in the table below:

Sl. NO.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	No of Bays	3416	3588	3923	4169	4458
2	Circuit kilometer lengths (CKM) (400KV, 220KV, 132KV)	20495	21979	24674	26163	28743

Based on the above data, the Commission has computed the permissible O&M Costs as per the norms which are shown below:

**Table 70: Computation of O&M costs as per norms**

S.N.	Particulars		2014-15	2015-16	2016-17	2017-28	2018-19	Total
1	SS Norm (Rs./ bay)	( In Rs.)	1561811	1627407	1695758	1766980	1841193	
2	LL Norm (Rs./ ckt.km)	( In Rs.)	53766	56024	58377	60829	63384	
3	No of Bays	Nos.	3416	3588	3923	4169	4458	
4	Number of CKM (400KV, 220KV, 132KV)	Nos.	20495	21979	24674	26163	28743	
5	As per APERC Norms Bays expenditure (1*3)	(Rs.In Cr)	533.51	583.91	665.25	736.65	820.80	3340.13
6	As per APERC Norms Lines (CKM) Expenditure (2*4)	(Rs.In Cr)	110.19	123.14	144.04	159.15	182.18	718.70
7	Total expenditure (5+6)	(Rs.In Cr)	643.71	707.05	809.29	895.80	1002.99	4058.83

The actual O&M costs claimed by the APTransco are less than the norms prescribed by the Commission vide MYT Order for 3rd Control Period. Hence, the Commission is inclined to accept the actual O&M expenditure filed by the APTransco.

### Depreciation

- 491.** APTRANSCO has claimed depreciation amounts at the rates notified by the MoP. Although the regulation says that the depreciation shall be generally at the rates and terms specified by the CERC. After recording the reasons, the Commission has computed the depreciation at the rates notified by MoP in MYT order on transmission tariffs for the 3rd control period. Hence, the Commission has to adopt the same rates in the computation of true-ups for the sake of consistency and certainty. A comparative analysis of the depreciation is shown in the table below:

**Table 71: Comparative analysis of the actual Depreciation during the 3rd CP**  
(Rs. Crs.)

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP)	Approved for Residual AP (@ 46.11 % of erstwhile AP)	Actuals as per True-up filings	variation over 58.32% of the Tariff order	variation over 46.11% as per the Tariff order
1	2	3	4	5	6 (3-5)	7 (4-5)
2014-15	560.22	365.64	308.63	286.14	79.50	22.49
2015-16	686.59	400.42	316.59	273.54	126.88	43.05
2016-17	918.56	535.7	423.55	335.65	200.05	87.9
2017-18	1035.26	603.76	477.36	518.70	85.06	-41.34
2018-19	1046.4	610.26	482.5	604.29	5.97	-121.79
Total	4247.03	2515.78	2008.63	2018.32	497.46	-9.69

As could be seen from the above table, the cumulative depreciation at the end of the third control period is more by Rs. 9.69 Cr over the approvals (at 46.11 percent share). The Commission has verified and found that the depreciation amounts claimed are as per the books of accounts. Therefore, the Commission accepts the depreciation amounts filed by APTRANSCO.

**Other Expenses**

- 492.** APTRANSCO claimed the 'Other Expenses' and the comparative analysis of the same with approvals is shown in the table below:

**Table 72: Other expenses during the 3rd Control Period (Rs. Crs.)**

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP)	Approved for Residual AP (@ 46.11 of erstwhile AP)	Actuals as per True-up filings	variation over 58.32% of the Tariff order	variation over 46.11% as per the Tariff order
(1)	(2)	(3)	(4)	(5)	6=(3-5)	7=(4-5)
2014-15	0	0	0	21.26	-21.26	-21.26
2015-16	0	0	0	1.77	-1.77	-1.77
2016-17	0	0	0	2.83	-2.83	-2.83
2017-18	0	0	0	0.00	0.00	0
2018-19	0	0	0	0.00	0.00	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25.86</b>	<b>-25.86</b>	<b>-25.86</b>

As could be seen from the above table, there is no provision in the approved ARR for other expenses and the APTRANSCO claimed an amount of Rs.25.86 Cr in this regard. APTRANSCO stated that this expenditure was due to the rectification works taken up post HUD HUD cyclone and that it has not received any financial support either from the GoAP or the Central government. The Commission has verified audited books of accounts and finds that the expenditure is legitimate. Hence, the Commission is inclined to accept the expenditure as filed

**Taxes:**

- 493.** The taxes are uncontrollable items as per the regulation. The comparative statement on taxes is shown in the table below (Rs. Crs):

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP)	Approved for Residual AP (@ 46.11 of erstwhile AP)	Actuals as per True-up filings	variation over 58.32% of the Tariff order	variation over 46.11% as per the Tariff order
(1)	(2)	(3)	(4)	(5)	6= (3)-(5)	(7) =(4)-(5)
2014-15	52.8	34.46	29.09	36.99	-2.53	-7.9
2015-16	71.69	41.81	33.06	28.58	13.23	4.48
2016-17	90.16	52.58	41.57	33.47	19.11	8.1
2017-18	95.86	55.91	44.2	35.92	19.99	8.28
2018-19	98.86	57.66	45.58	4.54	53.12	41.04
Total	409.37	242.42	193.5	139.50	102.92	54.00

As could be seen from the above table, the actual tax paid is less than the approval (at 46.11 share). The Commission has also computed taxes to be paid on the actual equity portion of ROCE which works out to be Rs.182.05 Cr. Therefore, after examining the actual taxes vis-a-vis approvals and the taxes on actual equity, the Commission is inclined to accept the actual taxes as claimed.

### Return On Capital Employed

- 494.** APTRANSCO has stated that the return on capital employed (ROCE) is computed based on the Regulated Rate Base (RRB). The RRB is arrived at by deducting the accumulated depreciation and consumer contributions from the value of gross fixed assets and adding the working capital requirements for each year of the control period plus the change in RRB during each year. The Commission has taken the actual cost of debt from the debt profile of APTRANSCO and considered the return on equity (ROE) as 14 percent and debt/equity ratio as 75:25 as approved in MYT Order, for computing the weighted average cost of capital (WACC) to multiply it with RRB to arrive at ROCE. The Commission has compared the Original cost of fixed assets (OCFA), RRB, WACC and ROCE as shown in the tables below:

**Table 73: Comparison of Original Cost of Fixed Assets during the 3rd CP****(Rs. Crs)**

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP)	Approved for Residual AP (@ 46.11 of erstwhile AP)	Actuals as per True up filings	Variation over 58.32% of the Tariff order	Variation over 46.11% as per the Tariff order
(1)	(2)	(3)	(4)	(5)	(6)= (3)-(5)	(7)= (4)-(5)
2014-15	13604.08	8878.93	7494.71	5557.76	3321.17	1936.95
2015-16	17963.47	10476.3	8282.96	6681.7	3794.60	1601.26
2016-17	20149.04	11750.92	9290.72	8733.73	3017.19	556.99
2017-18	21655.88	12629.71	9985.53	10552.04	2077.67	-566.51
2018-19	23134.56	13492.08	10667.35	12732.13	759.95	-2064.78
<b>Total</b>	<b>96507.03</b>	<b>57227.94</b>	<b>45721.27</b>	<b>44257.36</b>	<b>12970.58</b>	<b>1463.91</b>

As could be seen from the above table, the OCFA has been less by Rs.1463.91 Cr. compared to the approval (at 46.11 percent share)

**Table 74: Comparison of Regulated Rate Base during the 3rd CP (Rs. Crs.)**

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP)	Approved for Residual AP (@ 46.11 of erstwhile AP)	Actuals as per True up filings	variation over 58.32% of the Tariff order	variation over 46.11% as per the Tariff order
1	2	3	4	5	6 (3-5)	7 (4-5)
<b>2014-15</b>	6079.52	3967.9	3349.31	2223.71	1744.19	1125.6
<b>2015-16</b>	8255.36	4814.53	3806.55	2703.02	2111.51	1103.53
<b>2016-17</b>	10382.55	6055.1	4787.39	3763.06	2292.04	1024.33
<b>2017-18</b>	11038.70	6437.77	5089.94	5513.73	924.04	-423.79
<b>2018-19</b>	11384.37	6639.36	5249.33	6762.27	-122.91	-1512.94
<b>Total</b>	47140.50	27914.66	22282.52	20965.79	6948.87	1316.73

As could be seen from the above table, the RRB has been less by Rs.1316.73 Cr. compared to the approval (at 46.11 percent share)

**Table 75: Weighted Average Cost of Capital (percent)**

Financial Year	Tariff Order			True up filings			WACC Variation over Tariff Order
	Cost of Debt	Return on Equity	WACC	Cost of Debt	Return on Equity	WACC	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)-(4)
2014-15	12.00%	14.00%	12.50%	14.20%	14.00%	14.15%	1.65%
2015-16	12.00%	14.00%	12.50%	10.59%	14.00%	11.44%	-1.06%
2016-17	12.00%	14.00%	12.50%	11.03%	14.00%	11.77%	-0.73%
2017-18	12.00%	14.00%	12.50%	9.98%	14.00%	10.99%	-1.52%
2018-19	12.00%	14.00%	12.50%	8.62%	14.00%	9.97%	-2.54%

As could be seen from the above table, the cost of debt during the FY2014-15 was more than what is approved and during the remaining years in the control period, the cost of debt is less than what is approved in the MYT order for 3rd CP. APTRANSCO computed the ROCE based on the actual cost of debt and a comparison ROCE is shown in the table below:

**Table 76: Comparison of ROCE during the 3rd CP (Rs. Crs.)**

Financial Year	Approved in Tariff Order for erstwhile AP	Approved for Residual AP (@ 58.32% of erstwhile AP)	Approved for Residual AP (@ 46.11 of erstwhile AP)	Actuals as per True-up filings	variation over 58.32% of the Tariff order	variation over 46.11% of the Tariff order
(1)	(2)	(3)	(4)	(5)	(6) =(3)-(5)	(7)= (4)-(5)
2014-15	759.94	495.99	418.66	314.65	181.34	104.01
2015-16	1031.92	601.82	475.82	309.29	292.53	166.53
2016-17	1297.82	756.89	598.42	443.01	313.88	155.41
2017-18	1379.84	804.72	636.24	605.68	199.04	30.56
2018-19	1423.05	829.92	656.17	673.86	156.06	-17.69
<b>Total</b>	<b>5892.57</b>	<b>3489.34</b>	<b>2785.31</b>	<b>2346.49</b>	<b>1142.85</b>	<b>438.82</b>

As could be seen from the above table, the ROCE is less by Rs.438.82 Cr compared to the approval (at 46.11% share). On verification of the computations of ROCE, it is found that the same are in accordance with the regulation. However, as discussed above, the cost of debt during the FY2014-15 is more than what is approved and hence the same is limited to the approved rate in the MYT tariff order. The ROCE has been recomputed by the Commission with the above modification and a comparison of ROCE with the above modification is shown in the table below:

**Table 77: ROCE computed by the Commission during the 3rd CP (Rs. Crs.)**

<b>Financial Year</b>	<b>Approved in Tariff Order (Earst while AP)</b>	<b>Approved in Tariff Order (58.32% of erstwhile AP)</b>	<b>Approved in Tariff Order (46.11 of erst while AP)</b>	<b>ROCE as per Commission's computation for true up</b>	<b>variation (58.32% of tariff order)</b>	<b>variation (46.11% of tariff order)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)= (3)-(5)</b>	<b>(7)= (4)-(5)</b>
2014-15	759.94	495.99	418.66	277.96	218.03	140.6965
2015-16	1031.92	601.82	475.82	309.29	292.53	166.53
2016-17	1297.82	756.89	598.42	443.01	313.88	155.41
2017-18	1379.84	804.72	636.24	605.68	199.04	30.56
2018-19	1423.05	829.92	656.17	673.86	156.06	-17.69
<b>Total</b>	<b>5892.57</b>	<b>3489.34</b>	<b>2785.31</b>	<b>2309.80</b>	<b>1179.54</b>	<b>475.51</b>

As could be seen from the above tables, there is a change in the ROCE (at 46.11 percent) from Rs.438.82 Cr. to Rs.475.51 Cr compared to the previous table. The revised ROCE as per the above table has been considered by the Commission to arrive at the aggregate loss or gain. The contention of one of the objectors that the OCFA & RRB should be less than that approved in the MYT order or actuals is not in accordance with regulation.



**Total Revenue**

- 495.** APTRANSCO gets revenue by collecting the tariffs from transmission users. A comparison of the Revenue is shown in the table below:

**Table 78: Comparison of Total Revenue for 3rd control period (Rs. Crs.)**

Financial Year	Approved in Tariff Order (46.11%)	As per True-up Filings	Variation
(1)	(2)	(3)	(4) =(2)-(3)
2014-15	999.57	1113.69	-114.12
2015-16	1077.43	923.74	153.69
2016-17	1349.81	1140.60	209.21
2017-18	1471.81	1482.68	-10.87
2018-19	1524.04	1722.50	-198.46
Total	6422.66	6383.21	39.45

As could be seen from the table above, the actual revenue is **less** by Rs.39.45 Cr. compared to the approval. Hence, the Commission, after verification of audit reports, accepts the revenue filed by APTRANSCO.

**Non-Tariff Income**

- 496.** APTRANSCO has stated that the non-tariff income includes the non-cash adjustment of Rs.197.99 Crs, i.e., contribution towards depreciation of LIS Assets, As Adjustment Entries in case of Interest Free Govt. Loan (Parawada loan), Amortization of Capital Grants & Excess provisions written back. The Actual Non-Tariff Income (as cash adjustment) earned towards Supervision charges, delayed payments charges from customers, and interest on investment for the control period is Rs.467.04 Crs. The Commission has compared the non-tariff income as shown in the table below:

**Table 79: Comparison of Non-Tariff Income of APTRANSCO during the 3rd control period**

<b>Financial Year</b>	<b>Approved in Tariff Order for erstwhile AP</b>	<b>Approved for Residual AP (@ 58.32% of erstwhile AP)</b>	<b>Approved for Residual AP (@ 46.11 of erstwhile AP)</b>	<b>Actuals as per True-up filings</b>	<b>variation over 58.32% of the Tariff order</b>	<b>variation over 46.11% of the Tariff order</b>
(1)	(2)	(3)	(4)	(5)	6= (3)-(5)	(7)= (4)-(5)
2014-15	128.92	84.14	71.02	71.63	12.51	-0.61
2015-16	135.28	78.9	62.38	123.26	-44.36	-60.88
2016-17	141.93	82.77	65.44	166.18	-83.41	-100.74
2017-18	148.88	86.83	68.65	102.60	-15.77	-33.95
2018-19	156.26	91.13	72.05	201.36	-110.23	-129.31
Total	711.27	423.77	339.54	665.03	-241.26	-325.49

As could be seen from the above table, the Non-Tariff Income of APTRANSCO exceeded the approval (at 46.11 percent) by Rs.325.49 Cr. as per books of accounts. Hence, the Commission is inclined to accept the same without any modification.

- 497.** As per the procedure discussed above, the Commission has arrived at a true-up (net aggregate loss) of Rs.492.02 Cr as against the Rs.528.71 Cr. filed by the APTRANSCO. The detailed calculations are shown in the annexure-17. The summary is given in the table below:

**Table 80 : True-up approved by the Commission for the 3<sup>rd</sup> Control Period - APTransco**

Parameter	Unit	2014-15	2015-16	2016-17	2017-18	2018-19	Total
<b>Expenditure</b>	<b>INR Crs</b>	<b>1041.31</b>	<b>787.02</b>	<b>929.68</b>	<b>1156.72</b>	<b>1376.93</b>	<b>5291.66</b>
Gross O&M Costs	INR Crs	696.92	483.13	557.73	602.10	768.10	3107.98
O&M Carrying Costs	INR Crs						0.00
Depreciation	INR Crs	286.14	273.54	335.65	518.70	604.29	2018.32
Taxes incl. MAT	INR Crs	36.99	28.58	33.47	35.92	4.54	139.50
Special Appropriation	INR Crs						0.00
Other Expenditure	INR Crs	21.26	1.77	2.83			25.86
Terminal Benefits	INR Crs						0.00
<b>Expenses Capitalized</b>	<b>INR Crs</b>	<b>89.01</b>	<b>97.75</b>	<b>106.94</b>	<b>69.78</b>	<b>91.42</b>	<b>454.90</b>
IDC Capitalized	INR Crs						0.00
O&M Expenses Capitalized	INR Crs	89.01	97.75	106.94	69.78	91.42	454.90
<b>Net Expenditure</b>	<b>INR Crs</b>	<b>952.30</b>	<b>689.27</b>	<b>822.74</b>	<b>1086.94</b>	<b>1285.51</b>	<b>4836.76</b>
<b>ROCE (As per Annexure)</b>	<b>INR Crs</b>	<b>277.96</b>	<b>309.29</b>	<b>443.01</b>	<b>605.68</b>	<b>673.86</b>	<b>2309.80</b>
<b>Gross ARR</b>	<b>INR Crs</b>	<b>1230.27</b>	<b>998.56</b>	<b>1265.75</b>	<b>1692.62</b>	<b>1959.37</b>	<b>7146.56</b>
<b>Total Revenue</b>	<b>INR Crs</b>	<b>1113.69</b>	<b>1195.08</b>	<b>1140.60</b>	<b>1482.68</b>	<b>1722.50</b>	<b>6654.55</b>
Non Tariff Income	INR Crs	71.63	123.26	166.18	102.60	201.36	665.03
Revenue from Tariff	INR Crs	1042.06	800.48	974.42	1380.08	1521.14	5718.18
<b>True down as per True up order 07.11.2015</b>			271.34				271.34
<b>Surplus / (Deficit)</b>	<b>INR Crs</b>	<b>-116.58</b>	<b>196.52</b>	<b>-125.15</b>	<b>-209.94</b>	<b>-236.88</b>	<b>-492.02</b>

**498.** If Rs.443.97 cr. returned to the DISCOMS during the FY2016-17 and FY2017-18 by the APTRANSCO is taken into account which has been already factored in its revenue, the net aggregate loss is Rs.48.05 Cr only. Further, APTRANSCO during the third control period has transferred Rs.307.70 Cr. received from POC charges to the DISCOMS without taking the said amount into their accounts. If this is also accounted for, APTRANSCO has a net surplus of Rs.259.65 Cr. However, as this amount is not accounted for in their books as per the information provided by the APTRANSCO, the net aggregate loss of Rs.492.02 Cr. determined by the Commission stands good and it shall be recovered.

**499.** As regards the backing down costs and underutilization of assets as contended by one of the objectors, the APTRANSCO has already clarified the same. As regards the

request to amend the open access and balancing code regulations, the Commission would examine the same.

- 500.** As regards the contention of APSPDCL that the concessions extended to various NCE plants shall be collected from the GoAP, the respondents are advised to refer to the transmission tariff conditions at para 71 of the MYT transmission tariff Order for 3rd Control Period. wherein the Commission has clearly specified that no transmission charges for wind, solar and mini hydel projects and the relevant regulations of the Commission have also been amended to provide the above benefits to these projects as per the GoAP Policy. Therefore, the question of reimbursement of concessions from the government does not arise.
- 501.** As regards the contention of APEPDCL that the APTRANSCO should raise bills on TSDISCOMS for their power drawals through the APTRANSCO network, APTRANSCO has already replied that it has raised bills on TSDISCOMS and that due to the disputes in this regard, it has not included this income in the revenue.
- 502.** Further, as per the information furnished to the Commission, the following petitions on the POC charges pertaining to the third control period are pending before the APTEL/CERC.

FY	Interstate Lines (Amt. in Crs.)	Amt (Crs.)	FY	Intra State Lines (Amt. in Crs.)	Amt (Crs.)
2014-15	Pending (APTEL) (378 DFR)	100.66	2015-16	Approved but not Realised (MP in CERC)	14.35
2015-16	Pending (APTEL) (378 DFR)	115.06	2016-17	Approved but not Realised (MP in CERC)	85.53
2016-17 (i.e from CoD) to 2018-19	Urava Konda Veltloor (CERC) (2TT)	180.95			
	KV Kota-Surya Peta (CERC) (247TT)	115.47			
Total pending		512.14	Total pending		99.88
Grand total Pending		612.02 Cr.			

As could be seen from the above, the APTRANSCO is expected to receive Rs.612 Cr towards the POC charges pertaining to the third control period if the orders are issued in its favour.

- 503.** The Commission directs APTRANSCO to adjust the true-up (aggregate loss) amount of Rs.492.02 Cr. determined in this order for the third control period, from the POC charges if and when it receives in the future and any balance amount left after the adjustment shall be transferred to the DISCOMS. If there is any shortfall after the adjustment due to the receipt of less amount towards the POC charges, APTRANSCO may approach the Commission to recover such shortfall amount. APTRANSCO is also directed to clear the pending dues to the pension and gratuity (P&G) trusts as shown in this order from the receivables and submit a compliance report to the Commission.

Sd/  
**THAKUR RAMA SINGH**  
MEMBER

Sd/  
**JUSTICE C.V. NAGARJUNA REDDY**  
CHAIRMAN

Sd/  
**P. RAJAGOPAL REDDY**  
MEMBER

## ANNEXURE - 1

### Filing and Approved: Power purchase cost for FY2019-20 – APSPDCL

Generating Station	Energy (MU)			Fixed Cost (Rs. Crs.)			Variable Cost (Rs. Crs.)			Total Cost (Rs.Crs.)		
	Approved	Actuals	Diff.	Approved	Actuals	Diff.	Approved	Actuals	Diff.	Approved	Actuals	Diff.
<b>Apogenco-Thermal</b>												
Dr. NTPPS	5293.05	4624.49	-668.56	528.72	436.01	-92.71	1413.25	1536.66	123.41	1941.97	1972.67	30.70
Dr. NTPPS-IV	2136.28	1964.36	-171.92	226.78	216.16	-10.62	514.84	612.45	97.61	741.62	828.61	86.99
RTPP Stage-I	1070.54	800.79	-269.75	199.21	167.56	-31.65	336.15	304.69	-31.46	535.36	472.25	-63.11
RTPP Stage-II	808.67	1196.54	387.87	192.21	162.66	-29.55	253.92	456.65	202.73	446.13	619.31	173.18
RTPP Stage-III	302.58	368.34	65.76	178.38	166.36	-12.02	95.01	140.14	45.13	273.39	306.50	33.11
RTPP Stage-IV	367.77	1446.87	1079.10	40.45	353.44	312.99	115.48	614.32	498.84	155.93	967.76	811.83
APPDCL Stage-I	6894.42	4369.88	-2524.54	703.24	634.74	-68.50	1799.44	1339.56	-459.88	2502.68	1974.30	-528.38
<b>Genco-Thermal Total</b>	<b>16873.31</b>	<b>14771.27</b>	<b>-2102.04</b>	<b>2068.99</b>	<b>2136.93</b>	<b>67.94</b>	<b>4528.09</b>	<b>5004.47</b>	<b>476.38</b>	<b>6597.08</b>	<b>7141.40</b>	<b>544.32</b>
Srisaillam RCPH	436.54	859.89	423.35	131.25	142.31	11.06	0.00	0.00	0.00	131.25	142.31	11.06
NSRCPH	75.96	66.52	-9.44	13.50	16.29	2.79	0.00	0.00	0.00	13.50	16.29	2.79
NSTPDC PH	3.94	49.60	45.66	32.65	34.27	1.62	0.00	0.00	0.00	32.65	34.27	1.62
Upper Sileru	459.21	411.02	-48.19	46.27	49.01	2.74	0.00	0.00	0.00	46.27	49.01	2.74
Lower Sileru	790.33	549.95	-240.38	88.68	93.93	5.25	0.00	0.00	0.00	88.68	93.93	5.25
Donkarayi	56.61	46.09	-10.52	4.82	5.10	0.28	0.00	0.00	0.00	4.82	5.10	0.28
PABM	1.81	0.61	-1.20	7.72	8.46	0.74	0.00	0.00	0.00	7.72	8.46	0.74
Minihydel(Chettipet)	1.82	1.44	-0.38	0.58	1.08	0.50	0.00	0.00	0.00	0.58	1.08	0.50
Machkund AP Share	210.57	223.60	13.03	22.35	27.46	5.11	0.00	0.00	0.00	22.35	27.46	5.11
TB Dam AP Share	65.13	103.86	38.73	15.33	18.36	3.03	0.00	0.00	0.00	15.33	18.36	3.03
<b>Genco Hydel Total</b>	<b>2101.92</b>	<b>2312.58</b>	<b>210.66</b>	<b>363.15</b>	<b>396.27</b>	<b>33.12</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>363.15</b>	<b>396.27</b>	<b>33.12</b>
<b>APGENCO-TOTAL</b>	<b>18975.23</b>	<b>17083.85</b>	<b>-1891.38</b>	<b>2432.14</b>	<b>2533.20</b>	<b>101.06</b>	<b>4528.09</b>	<b>5004.47</b>	<b>476.38</b>	<b>6960.23</b>	<b>7537.67</b>	<b>577.44</b>
APGPCL Stage-I	21.35	18.01	-3.34	1.37	1.87	0.50	5.15	6.12	0.97	6.52	7.99	1.47
APGPCL Stage-II	59.27	80.91	21.64	2.89	6.47	3.58	12.74	28.01	15.27	15.63	34.48	18.85
Godavari Gas Power Plant	661.73	412.52	-249.21	52.28	17.06	-35.22	145.58	121.72	-23.86	197.86	138.78	-59.08
Spectrum Power	620.54	356.00	-264.54	57.09	32.75	-24.34	148.31	94.37	-53.94	205.40	127.12	-78.28
LANCO Kondapalli	770.24	498.44	-271.80	73.94	27.08	-46.86	179.47	141.21	-38.26	253.41	168.29	-85.12
<b>GAS-TOTAL</b>	<b>2133.13</b>	<b>1365.88</b>	<b>-767.25</b>	<b>187.57</b>	<b>85.23</b>	<b>-102.34</b>	<b>491.25</b>	<b>391.43</b>	<b>-99.82</b>	<b>678.82</b>	<b>476.66</b>	<b>-202.16</b>
NTPC(SR) Ramagundam I & II	1194.14	1255.35	61.21	91.77	90.72	-1.05	260.32	327.15	66.83	352.09	417.87	65.78
NTPC(SR) Simhadri Stage-I	1473.69	1915.76	442.07	203.41	272.32	68.91	394.95	660.00	265.05	598.36	932.32	333.96
NTPC(SR) Simhadri Stage-II	498.01	763.89	265.88	132.03	141.42	9.39	133.47	256.52	123.05	265.50	397.94	132.44
NTPC(SR) Talcher Stage-II	806.54	743.60	-62.94	57.40	60.38	2.98	112.11	149.62	37.51	169.51	210.00	40.49

Generating Station	Energy (MU)			Fixed Cost (Rs. Crs.)			Variable Cost (Rs. Crs.)			Total Cost (Rs.Crs.)		
	Approved	Actuals	Diff.	Approved	Actuals	Diff.	Approved	Actuals	Diff.	Approved	Actuals	Diff.
NTPC(SR) Ramagundam III	332.17	331.56	-0.61	24.66	25.66	1.00	71.42	85.30	13.88	96.08	110.96	14.88
NTPC Kudgi Stage-I	106.24	481.90	375.66	208.50	212.51	4.01	38.03	181.40	143.37	246.53	393.91	147.38
NTECL Valluru	427.63	247.21	-180.42	76.67	111.48	34.81	94.08	95.08	1.00	170.75	206.56	35.81
NLC Stage-I	157.96	216.69	58.73	15.19	16.42	1.23	45.49	58.71	13.22	60.68	75.13	14.45
NLC Stage-II	259.37	374.78	115.41	28.32	32.20	3.88	74.70	101.67	26.97	103.02	133.87	30.85
NPC(MAPS)	86.65	39.43	-47.22	0.00	0.00	0.00	19.32	-0.47	-19.79	19.32	-0.47	-19.79
NPC(KAIGA unit I,II,III,IV)	535.40	569.81	34.41	0.00	0.00	0.00	172.40	155.86	-16.54	172.40	155.86	-16.54
NTPL(NLC TamilNadu)	583.34	425.95	-157.39	92.04	89.17	-2.87	139.42	126.11	-13.31	231.46	215.28	-16.18
NLC NNTPS	238.33	18.24	-220.09	48.00	3.29	-44.71	59.34	4.19	-55.15	107.34	7.48	-99.86
JNNSM Ph-1 Thermal	226.29	118.53	-107.76	31.68	0.00	-31.68	49.33	56.91	7.58	81.01	56.91	-24.10
JNNSM Ph-2 Thermal	2886.86	1943.33	-943.53	288.69	0.00	-288.69	721.72	840.82	119.10	1010.41	840.82	-169.59
NTPC WR&NR(Sept 2019)	0.00	209.64	209.64	0.00	46.20	46.20	0.00	78.66	78.66	0.00	124.86	124.86
<b>CGS TOTAL</b>	<b>9812.62</b>	<b>9655.67</b>	<b>-156.95</b>	<b>1298.36</b>	<b>1101.76</b>	<b>-196.60</b>	<b>2386.10</b>	<b>3177.53</b>	<b>791.43</b>	<b>3684.46</b>	<b>4279.29</b>	<b>594.83</b>
KSK Mahanadi	1834.83	1403.88	-430.95	294.46	216.07	-78.39	477.06	386.11	-90.95	771.52	602.18	-169.34
Thermal Powertech Corporation	1057.76	1218.10	160.34	191.94	193.88	1.94	207.32	283.05	75.73	399.26	476.93	77.67
Hinduja National Powercorp	0.00	1806.81	1806.81	0.00	0.00	0.00	0.00	690.20	690.20	0.00	690.20	690.20
SRIVATHSA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>IPP TOTAL</b>	<b>2892.59</b>	<b>4428.79</b>	<b>1536.20</b>	<b>486.40</b>	<b>409.94</b>	<b>-76.46</b>	<b>684.38</b>	<b>1359.36</b>	<b>674.98</b>	<b>1170.78</b>	<b>1769.30</b>	<b>598.52</b>
NCE- Others	700.25	699.15	-1.10	0.00	0.00	0.00	329.38	118.61	-210.77	329.38	118.61	-210.77
NCE Wind	6051.38	6833.60	782.22	0.00	0.00	0.00	2801.79	3189.17	387.38	2801.79	3189.17	387.38
NCE Solar	3931.72	2449.88	-1481.84	0.00	0.00	0.00	1748.52	1191.00	-557.52	1748.52	1191.00	-557.52
JNNSM Ph-1 Solar	42.95	30.42	-12.53	0.00	0.00	0.00	45.83	38.10	-7.73	45.83	38.10	-7.73
JNNSM Ph-2 Solar	0.00	2349.96	2349.96	0.00	0.00	0.00	0.00	1088.53	1088.53	0.00	1088.53	1088.53
<b>NCE TOTAL</b>	<b>10726.30</b>	<b>12363.01</b>	<b>1636.71</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4925.52</b>	<b>5625.40</b>	<b>699.88</b>	<b>4925.52</b>	<b>5625.40</b>	<b>699.88</b>
SHORT TERM PURCHASE	390.44	1482.74	1092.30	0.00	0.00	0.00	156.17	581.37	425.20	156.17	581.37	425.20
SWAP RETURN	-2709.29	-2165.98	543.31	-293.91	0.00	293.91	-795.04	-810.29	-15.25	-1088.95	-810.29	278.66
POSOCO (CGS UI charges)	0.00	16.55	16.55	0.00	0.00	0.00	0.00	25.46	25.46	0.00	25.46	25.46
<b>SHORTTERM TOTAL</b>	<b>-2318.85</b>	<b>-666.69</b>	<b>1652.16</b>	<b>-293.91</b>	<b>0.00</b>	<b>293.91</b>	<b>-638.87</b>	<b>-203.46</b>	<b>435.41</b>	<b>-932.78</b>	<b>-203.46</b>	<b>729.32</b>
<b>D&lt;---&gt;D TRANSACTION</b>	<b>-616.34</b>	<b>-4854.88</b>	<b>-4238.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-247.77</b>	<b>-1951.66</b>	<b>-1703.89</b>	<b>-247.77</b>	<b>-1951.66</b>	<b>-1703.89</b>
<b>Sale of Power</b>	<b>0.00</b>	<b>-17.52</b>	<b>-17.52</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-7.31</b>	<b>-7.31</b>	<b>0.00</b>	<b>-7.31</b>	<b>-7.31</b>
<b>GRAND TOTAL</b>	<b>41604.68</b>	<b>39358.11</b>	<b>-2246.57</b>	<b>4110.56</b>	<b>4130.13</b>	<b>19.57</b>	<b>12128.70</b>	<b>13395.77</b>	<b>1267.07</b>	<b>16239.26</b>	<b>17525.91</b>	<b>1286.65</b>



## ANNEXURE - 2

### Filing: Power purchase cost for FY2019-20 - APEPDCL

Station No	Station	AP Capacity (MW)	EPDCL (%)	EPDCL (MW)	Energy Purchased (MU)		Cost Components (Rs.Cr)												Cost Variance Claim (Rs.Cr)					
					Tariff Order	Actual	Fixed		Variable		Incentive		Income Tax		Others		Total		Diff.	Diff.	Diff.	Diff.	Diff.	Diff.
							Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual						
	<b>APGENCO</b>																							
1	Dr. NTTPS	1260	34.27%	432	2,768.85	2,411.09	275.66	227.32	739.28	801.18	0.00	0.00	0.00	0.00	0.00	0.00	1,014.94	1,028.50	-48.34	61.90	0.00	0.00	0.00	13.56
2	Dr. NTTPS-IV	500	34.27%	171	1,113.80	1,024.17	118.24	112.70	268.43	319.32	0.00	0.00	0.00	0.00	0.00	0.00	386.67	432.02	-5.54	50.89	0.00	0.00	0.00	45.35
3	RTPP Stage-I	420	34.27%	144	806.57	417.51	103.86	87.36	253.26	158.89	0.00	0.00	0.00	0.00	0.00	0.00	357.12	246.25	-16.50	-94.37	0.00	0.00	0.00	-110.87
4	RTPP Stage-II	420	34.27%	144	664.21	623.85	100.22	84.81	208.56	238.08	0.00	0.00	0.00	0.00	0.00	0.00	308.78	322.89	-15.41	29.52	0.00	0.00	0.00	14.11
5	RTPP Stage-III	210	34.27%	72	284.42	192.05	93.00	86.73	89.31	73.07	0.00	0.00	0.00	0.00	0.00	0.00	182.31	159.80	-6.27	-16.24	0.00	0.00	0.00	-22.51
6	RTPP Stage-IV	600	34.27%	206	314.58	754.36	34.60	184.27	98.78	320.29	0.00	0.00	0.00	0.00	0.00	0.00	133.38	504.56	149.67	221.51	0.00	0.00	0.00	371.18
7	APPDCL Stage-I	1600	34.27%	493	3,594.58	2,278.35	366.64	330.94	938.18	698.41	0.00	0.00	0.00	0.00	0.00	0.00	1,304.82	1,029.35	-35.70	-239.77	0.00	0.00	0.00	-275.47
	<b>Total APGENCO</b>	<b>5010</b>		<b>1662.10</b>	<b>9547.01</b>	<b>7,701.38</b>	<b>1,092.22</b>	<b>1,114.14</b>	<b>2,595.80</b>	<b>2,609.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,688.02</b>	<b>3,723.38</b>	<b>21.92</b>	<b>13.44</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>35.356</b>
	<b>APGENCO Hydel</b>																							
8	Srisaillam RCPH	770	34.27%	264	227.60	448.32	68.43	74.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68.43	74.19	5.76	0.00	0.00	0.00	0.00	5.76
9	NSRCPH	90	34.27%	31	39.60	34.68	7.04	8.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.04	8.50	1.46	0.00	0.00	0.00	0.00	1.46
10	NSTPDC PH	50	34.27%	17	2.06	25.86	17.02	17.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.02	17.86	0.84	0.00	0.00	0.00	0.00	0.84
11	Upper Sileru	240	34.27%	82	239.42	214.30	24.12	25.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.12	25.55	1.43	0.00	0.00	0.00	0.00	1.43
12	Lower Sileru	460	34.27%	158	412.06	286.73	46.23	48.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46.23	48.97	2.74	0.00	0.00	0.00	0.00	2.74
13	Donkarayi	25	34.27%	9	29.51	24.03	2.51	2.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.51	2.66	0.15	0.00	0.00	0.00	0.00	0.15
14	PABM	20	34.27%	7	0.94	0.32	4.03	4.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.03	4.41	0.38	0.00	0.00	0.00	0.00	0.38
15	Minihydel(Chettipet)	1	34.27%	0	0.95	0.75	0.30	0.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.57	0.27	0.00	0.00	0.00	0.00	0.27
16	Machkund AP Share	84	34.27%	29	109.78	116.58	11.66	14.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.66	14.31	2.65	0.00	0.00	0.00	0.00	2.65
17	TB Dam AP Share	57.6	34.27%	20	33.96	54.15	7.99	9.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.99	9.57	1.58	0.00	0.00	0.00	0.00	1.58
	<b>Total APGENCO Hydel</b>	<b>1797.6</b>		<b>616</b>	<b>1,095.88</b>	<b>1,205.72</b>	<b>189.33</b>	<b>206.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>189.33</b>	<b>206.60</b>	<b>17.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17.269</b>
	<b>CGS</b>																							
1	NTPC(SR) Ramagundam I & II	273.42	34.27%	93.70	622.59	654.51	47.85	47.30	135.73	170.57	0.00	0.00	0.00	0.00	0.00	0.00	183.58	217.86	-0.55	34.84	0.00	0.00	0.00	34.28
2	NTPC(SR) Simhadri Stage-I	461.10	34.27%	158.02	984.93	998.83	106.05	141.98	263.96	344.11	0.00	0.00	0.00	0.00	0.00	0.00	370.01	486.09	35.93	80.15	0.00	0.00	0.00	116.08
3	NTPC(SR) Simhadri Stage-II	190.00	34.27%	65.11	396.60	398.27	68.83	73.74	106.29	133.75	0.00	0.00	0.00	0.00	0.00	0.00	175.12	207.48	4.91	27.46	0.00	0.00	0.00	32.36
4	NTPC(SR) Talcher Stage-II	175.20	34.27%	60.04	420.51	387.70	29.92	31.48	58.45	78.01	0.00	0.00	0.00	0.00	0.00	0.00	88.37	109.49	1.56	19.56	0.00	0.00	0.00	21.12
5	NTPC(SR) Ramagundam III	68.80	34.27%	23.58	173.19	172.86	12.85	13.38	37.24	44.47	0.00	0.00	0.00	0.00	0.00	0.00	50.09	57.85	0.53	7.23	0.00	0.00	0.00	7.76
6	NTPC Kudgi Stage-I	215.04	34.27%	73.69	285.43	251.25	108.71	110.80	102.18	94.58	0.00	0.00	0.00	0.00	0.00	0.00	210.89	205.38	-2.09	-7.60	0.00	0.00	0.00	-5.51
7	NTECL Valluru	87.90	34.27%	30.12	222.96	128.89	39.98	58.12	49.05	49.57	0.00	0.00	0.00	0.00	0.00	0.00	89.03	107.70	18.14	0.52	0.00	0.00	0.00	18.67
8	NLC Stage-I	47.65	34.27%	16.33	113.41	112.97	7.92	8.56	32.66	30.61	0.00	0.00	0.00	0.00	0.00	0.00	40.58	39.17	-0.64	-2.05	0.00	0.00	0.00	-1.41
9	NLC Stage-II	86.93	34.27%	29.79	203.97	195.40	14.77	16.79	58.74	53.01	0.00	0.00	0.00	0.00	0.00	0.00	73.51	69.79	-2.02	-5.73	0.00	0.00	0.00	-3.72
10	NPC(MAPS)	18.40	34.27%	6.31	45.18	20.56	0.00	0.00	10.07	-0.24	0.00	0.00	0.00	0.00	0.00	0.00	10.07	-0.24	0.00	-10.31	0.00	0.00	0.00	-10.31
11	NPC(KAIGA unit I,II,III,IV)	116.23	34.27%	39.83	279.14	297.09	0.00	0.00	89.89	81.26	0.00	0.00	0.00	0.00	0.00	0.00	89.89	81.26	0.00	-8.63	0.00	0.00	0.00	-8.63
12	NTPL(NLC TamilNadu)	123.23	34.27%	42.23	304.14	222.08	47.99	46.49	72.69	65.75	0.00	0.00	0.00	0.00	0.00	0.00	120.68	112.24	-1.50	-6.94	0.00	0.00	0.00	-8.44
13	NLC NTPS	52.80	34.27%	18.09	124.26	9.51	25.02	1.71	30.94	2.18	0.00	0.00	0.00	0.00	0.00	0.00	55.96	3.90	-23.31	-28.76	0.00	0.00	0.00	-52.06
14	JNNSM Ph-1 Thermal	39.27	34.27%	13.46	117.98	61.80	16.52	0.00	25.72	29.67	0.00	0.00	0.00	0.00	0.00	0.00	42.24	29.67	-16.52	3.95	0.00	0.00	0.00	-12.57
15	JNNSM Ph-2 Thermal	500.00	34.27%	171.35	1,505.14	1,013.20	150.51	0.00	376.28	438.38	0.00	0.00	0.00	0.00	0.00	0.00	526.79	438.38	-150.51	62.10	0.00	0.00	0.00	-88.41
16	NTPC WR&NR(Sept 2019)					109.30		24.09		41.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65.10	24.09	41.01	0.00	0.00	0.00	65.10
	<b>UI CHARGES</b>					8.63				16.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.98	0.00	16.98	0.00	0.00	0.00	16.98
	<b>Total CGS</b>	<b>2455.97</b>	<b>5.14</b>	<b>841.66</b>	<b>5799.43</b>	<b>5042.85</b>	<b>676.92</b>	<b>574.44</b>	<b>1449.89</b>	<b>1673.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2126.81</b>	<b>2248.11</b>	<b>-102.48</b>	<b>223.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>121.297</b>

Station No	Station	AP Capacity (MW)	EPDCL (%)	EPDCL (MW)	Energy Purchased (MU)		Cost Components (Rs.Cr)												Cost Variance Claim (Rs.Cr)					
					Tariff Order	Actual	Fixed		Variable		Incentive		Income Tax		Others		Total		Fixed	Variable	Incentive	Income Tax	Others	Total
							Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Diff.	Diff.	Diff.	Diff.	Diff.	Diff.
	APGPCL																							
17	APGPCL I - Allocated capacity	16	34.27%	5.48	11.13	9.39	0.71	0.98	2.68	3.19	0.00	0.00	0.00	0.00	0.00	0.00	3.39	4.16	0.27	0.51	0.00	0.00	0.00	0.77
18	APGPCL II - Allocated capacity	42.8	34.27%	14.67	30.90	42.18	1.50	3.37	6.64	14.61	0.00	0.00	0.00	0.00	0.00	0.00	8.14	17.98	1.87	7.97	0.00	0.00	0.00	9.84
	<b>Total ApgpCL</b>	<b>58.8</b>			<b>42.03</b>	<b>51.57</b>	<b>2.21</b>	<b>4.35</b>	<b>9.32</b>	<b>17.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.53</b>	<b>22.14</b>	<b>2.14</b>	<b>8.47</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.61</b>
	<b>IPPs - Gas</b>																							
19	Godavari Gas Power Plant	217	34.27%	74.31	345.01	215.08	27.26	8.89	75.90	63.46	0.00	0.00	0.00	0.00	0.00	0.00	103.16	72.36	-18.37	-12.44	0.00	0.00	0.00	-30.80
20	Spectrum Power	205	0%	0.00	323.54	185.61	29.77	17.08	77.32	49.20	0.00	0.00	0.00	0.00	0.00	0.00	107.09	66.28	-12.69	-28.12	0.00	0.00	0.00	-40.81
21	LANCO Kondapalli	262	0%	0.00	401.58	259.87	38.55	14.12	93.57	73.62	0.00	0.00	0.00	0.00	0.00	0.00	132.12	87.74	-24.43	-19.95	0.00	0.00	0.00	-44.38
	<b>Total IPPs - Gas</b>				<b>1,070.13</b>	<b>660.56</b>	<b>95.58</b>	<b>40.09</b>	<b>246.79</b>	<b>186.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>342.37</b>	<b>226.37</b>	<b>-55.49</b>	<b>-60.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-116.00</b>
	<b>NCE</b>																							
22	NCE- Others	386			365.09	80.26	0.00	0.00	171.73	31.27	0.00	0.00	0.00	0.00	0.00	0.00	171.73	31.27	0.00	-140.46	0.00	0.00	0.00	-140.46
23	NCE Wind	3910	0%	0.00	3,155.04	0.00	0.00	0.00	1,460.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,460.78	0.00	0.00	-1,460.78	0.00	0.00	0.00	-1,460.78
24	NCE Solar	3742		0.00	2,049.90	763.88	0.00	0.00	911.63	321.80	0.00	0.00	0.00	0.00	0.00	0.00	911.63	321.80	0.00	-589.83	0.00	0.00	0.00	-589.83
25	JNNSM Ph-1 Solar	85			22.39	15.86	0.00	0.00	23.89	19.87	0.00	0.00	0.00	0.00	0.00	0.00	23.89	19.87	0.00	-4.02	0.00	0.00	0.00	-4.02
26	JNNSM Ph-2 Solar				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
																	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
																	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total NCE</b>				<b>5,592.42</b>	<b>860.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,568.03</b>	<b>372.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,568.03</b>	<b>372.94</b>	<b>0.00</b>	<b>-2,195.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,195.09</b>
	<b>IPPs - Others</b>																							
27	Srivathsa (Exclusive EPDCL)			0.00	956.64	9.87	153.52	0.47	248.73	2.89	0.00	0.00	0.00	0.00	0.00	0.00	402.25	3.36	-153.05	-245.84	0.00	0.00	0.00	-398.89
28	KSK Mahanadi (MT)			0.00	551.49	731.95	100.08	112.65	108.09	201.31	0.00	0.00	0.00	0.00	0.00	0.00	208.17	313.96	12.57	93.22	0.00	0.00	0.00	105.79
29	Thermal Power Tech			0.00	91.85	635.09	4.44	101.08	26.73	147.57	0.00	0.00	0.00	0.00	0.00	0.00	31.17	248.66	96.64	120.84	0.00	0.00	0.00	217.49
30	Hinduja	1040	100.00%	1040.00		942.03		0.00		359.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	359.85	0.00	359.85	0.00	0.00	0.00	359.85
	<b>Total IPPs - Others</b>				<b>1,599.98</b>	<b>2,318.94</b>	<b>258.04</b>	<b>214.21</b>	<b>383.55</b>	<b>711.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>641.59</b>	<b>925.84</b>	<b>-43.83</b>	<b>328.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>284.245</b>
	<b>Market</b>																							
31	SHORT TERM PURCHASE					884.10		0.00		346.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	346.69	0.00	346.69	0.00	0.00	0.00	346.69
32	SHORT TERM SALES																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	SWAP RECEIPTS				203.56		0.00		81.43								81.43	0.00	0.00	-81.43	0.00	0.00	0.00	-81.43
34	SWAP RETURN				-1,412.56	-1,129.29	-153.24	0.00	-414.51	-422.47	0.00	0.00	0.00	0.00	0.00	0.00	-567.75	-422.47	153.24	-7.96	0.00	0.00	0.00	145.28
	<b>Total Market</b>				<b>-1,209.00</b>	<b>-245.19</b>	<b>-153.24</b>	<b>0.00</b>	<b>-333.08</b>	<b>-75.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-486.32</b>	<b>-75.78</b>	<b>153.24</b>	<b>257.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>410.54</b>
	<b>D&lt;---&gt;D</b>																							
35	<b>TRANSACTION</b>				616.34	4,854.88	0.00	0.00	247.77	1,951.66	0.00	0.00	0.00	0.00	0.00	0.00	247.77	1,951.66	0.00	1,703.89	0.00	0.00	0.00	1,703.89
	<b>Total</b>				<b>24,154.22</b>	<b>22,450.71</b>	<b>2,161.06</b>	<b>2,153.82</b>	<b>7,168.07</b>	<b>7,447.44</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,329.13</b>	<b>9,601.25</b>	<b>-7.24</b>	<b>279.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>272.12</b>

## Annexure 3

### Approved: Power purchase cost for FY2019-20 – APEPDCL

Station No	Station	AP Capacity (MW)	APEPDCL (%)	APEPDCL (MW)	Energy Purchased (MU)		Cost Components (Rs.Cr)												Cost Variance Claim (Rs.Cr)					
					Tariff Order	Actual	Fixed		Variable		Incentive		Income Tax		Others		Total		Fixed	Variable	Incentive	Income Tax	Others	Total
							Tariff Order	Actual	Tariff Order	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Variance	Variance	Variance	Variance	Variance	Variance
	APGENCO																							
1	Dr. NTTPS	1260	34.27%	432	2,768.85	2,411.09	275.66	227.32	739.28	801.18	0.00	0.00	0.00	0.00	0.00	0.00	1,014.94	1,028.50	-48.34	61.90	0.00	0.00	0.00	13.56
2	Dr. NTTPS-IV	500	34.27%	171	1,113.80	1,024.17	118.24	112.70	268.43	319.32	0.00	0.00	0.00	0.00	0.00	0.00	386.67	432.02	-5.54	50.89	0.00	0.00	0.00	45.35
3	RTPP Stage-I	420	34.27%	144	806.57	417.51	103.86	87.36	253.26	158.89	0.00	0.00	0.00	0.00	0.00	0.00	357.12	246.25	-16.50	-94.37	0.00	0.00	0.00	-110.87
4	RTPP Stage-II	420	34.27%	144	664.21	623.85	100.22	84.81	208.56	238.08	0.00	0.00	0.00	0.00	0.00	0.00	308.78	322.89	-15.41	29.52	0.00	0.00	0.00	14.11
5	RTPP Stage-III	210	34.27%	72	284.42	192.05	93.00	86.73	89.31	73.07	0.00	0.00	0.00	0.00	0.00	0.00	182.31	159.80	-6.27	-16.24	0.00	0.00	0.00	-22.51
6	RTPP Stage-IV	600	34.27%	206	314.58	754.36	34.60	184.27	98.78	320.29	0.00	0.00	0.00	0.00	0.00	0.00	133.38	504.56	149.67	221.51	0.00	0.00	0.00	371.18
7	APPDCL Stage-I	1600	34.27%	493	3,594.58	2,278.35	366.64	330.94	938.18	698.41	0.00	0.00	0.00	0.00	0.00	0.00	1,304.82	1,029.35	-35.70	-239.77	0.00	0.00	0.00	-275.47
	Total AGENCO	5010		1662.10	9547.01	7,701.38	1,092.22	1,114.14	2,595.80	2,609.24	0.00	0.00	0.00	0.00	0.00	0.00	3,688.02	3,723.38	21.92	13.44	0.00	0.00	0.00	35.356
	APGENCO Hydel																							
8	Srisaadam RCPH	770	34.27%	264	227.60	448.32	68.43	74.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68.43	74.19	5.76	0.00	0.00	0.00	0.00	5.76
9	NSRCPH	90	34.27%	31	39.60	34.68	7.04	8.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.04	8.50	1.46	0.00	0.00	0.00	0.00	1.46
10	NSTPDC PH	50	34.27%	17	2.06	25.86	17.02	17.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.02	17.86	0.84	0.00	0.00	0.00	0.00	0.84
11	Upper Sileru	240	34.27%	82	239.42	214.30	24.12	25.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.12	25.55	1.43	0.00	0.00	0.00	0.00	1.43
12	Lower Sileru	460	34.27%	158	412.06	286.73	46.23	48.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46.23	48.97	2.74	0.00	0.00	0.00	0.00	2.74
13	Donkarayi	25	34.27%	9	29.51	24.03	2.51	2.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.51	2.66	0.15	0.00	0.00	0.00	0.00	0.15
14	PABM	20	34.27%	7	0.94	0.32	4.03	4.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.03	4.41	0.38	0.00	0.00	0.00	0.00	0.38
15	Manihydel(Chettipet)	1	34.27%	0	0.95	0.75	0.30	0.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.57	0.27	0.00	0.00	0.00	0.00	0.27
16	Machkund AP Share	84	34.27%	29	109.78	116.58	11.66	14.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.66	14.31	2.65	0.00	0.00	0.00	0.00	2.65
17	TB Dam AP Share	57.6	34.27%	20	33.96	54.15	7.99	9.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.99	9.57	1.58	0.00	0.00	0.00	0.00	1.58
											0.00	0.00	0.00	0.00	0.00	0.00								
	Total AGENCO Hydel	1797.6		616	1,095.88	1,205.72	189.33	206.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	189.33	206.60	17.27	0.00	0.00	0.00	0.00	17.269
	CGS																							
1	NTPC(SR) Ramagundam I & II	273.42	34.27%	93.70	622.59	654.51	47.85	47.30	135.73	170.57	0.00	0.00	0.00	0.00	0.00	0.00	183.58	217.86	-0.55	34.84	0.00	0.00	0.00	34.28
2	NTPC(SR) Simhadri Stage-I	461.10	34.27%	158.02	984.93	998.83	106.05	141.98	263.96	344.11	0.00	0.00	0.00	0.00	0.00	0.00	370.01	486.09	35.93	80.15	0.00	0.00	0.00	116.08
3	NTPC(SR) Simhadri Stage-II	190.00	34.27%	65.11	396.60	398.27	68.83	73.74	106.29	133.75	0.00	0.00	0.00	0.00	0.00	0.00	175.12	207.48	4.91	27.46	0.00	0.00	0.00	32.36
4	NTPC(SR) Talcher Stage-II	175.20	34.27%	60.04	420.51	387.70	29.92	31.48	58.45	78.01	0.00	0.00	0.00	0.00	0.00	0.00	88.37	109.49	1.56	19.56	0.00	0.00	0.00	21.12
5	NTPC(SR) Ramagundam III	68.80	34.27%	23.58	173.19	172.86	12.85	13.38	37.24	44.47	0.00	0.00	0.00	0.00	0.00	0.00	50.09	57.85	0.53	7.23	0.00	0.00	0.00	7.76
6	NTPC Kudgi Stage-I	215.04	34.27%	73.69	285.43	251.25	108.71	110.80	102.18	94.58	0.00	0.00	0.00	0.00	0.00	0.00	210.89	205.38	2.09	-7.60	0.00	0.00	0.00	-5.51
7	NTECL Valluru	87.90	34.27%	30.12	222.96	128.89	39.98	58.12	49.05	49.57	0.00	0.00	0.00	0.00	0.00	0.00	89.03	107.70	18.14	0.52	0.00	0.00	0.00	18.67
8	NLC Stage-I	47.65	34.27%	16.33	113.41	112.97	7.92	8.56	32.66	30.61	0.00	0.00	0.00	0.00	0.00	0.00	40.58	39.17	0.64	-2.05	0.00	0.00	0.00	-1.41
9	NLC Stage-II	86.93	34.27%	29.79	203.97	195.40	14.77	16.79	58.74	53.01	0.00	0.00	0.00	0.00	0.00	0.00	73.51	69.79	2.02	-5.73	0.00	0.00	0.00	-3.72
10	NPC(MAPS)	18.40	34.27%	6.31	45.18	20.56	0.00	0.00	10.07	-0.24	0.00	0.00	0.00	0.00	0.00	0.00	10.07	-0.24	0.00	-10.31	0.00	0.00	0.00	-10.31
11	NPC(KAIGA unit I,II,III,IV)	116.23	34.27%	39.83	279.14	297.09	0.00	0.00	89.89	81.26	0.00	0.00	0.00	0.00	0.00	0.00	89.89	81.26	0.00	-8.63	0.00	0.00	0.00	-8.63
12	NTPCL(NLC TamilNadu)	123.23	34.27%	42.23	304.14	222.08	47.99	46.49	72.69	65.75	0.00	0.00	0.00	0.00	0.00	0.00	120.68	112.24	-1.50	-6.94	0.00	0.00	0.00	-8.44
13	NLC NNTPS	52.80	34.27%	18.09	124.26	9.51	25.02	1.71	30.94	2.18	0.00	0.00	0.00	0.00	0.00	0.00	55.96	3.90	-23.31	-28.76	0.00	0.00	0.00	-52.06
14	JNNSM Ph-1 Thermal	39.27	34.27%	13.46	117.98	61.80	16.52	0.00	25.72	29.67	0.00	0.00	0.00	0.00	0.00	0.00	42.24	29.67	-16.52	3.95	0.00	0.00	0.00	-12.57
15	JNNSM Ph-2 Thermal	500.00	34.27%	171.35	1,505.14	1,013.20	150.51	0.00	376.28	438.38	0.00	0.00	0.00	0.00	0.00	0.00	526.79	438.38	-150.51	62.10	0.00	0.00	0.00	-88.41
16	NTPC WR&NR(Sept 2019)					109.30		24.09		41.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65.10	24.09	41.01	0.00	0.00	0.00	65.10
	UI CHARGES					8.63				16.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.98	0.00	16.98	0.00	0.00	0.00	16.98
	Total CGS	2455.97	5.14	841.66	5799.43	5042.85	676.92	574.44	1449.89	1673.67	0.00	0.00	0.00	0.00	0.00	0.00	2126.81	2248.11	-102.48	223.78	0.00	0.00	0.00	121.297

Station No	Station	AP Capacity (MW)	APEPDCL (%)	APEPDCL (MW)	Energy Purchased (MU)		Cost Components (Rs.Cr)												Cost Variance Claim (Rs.Cr)					
							Fixed		Variable		Incentive		Income Tax		Others		Total		Fixed	Variable	Incentive	Income Tax	Others	Total
					Tariff Order	Actual	Tariff Order	Actual	Tariff Order	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Variance	Variance	Variance	Variance	Variance	Variance
	APGPCL																							
17	APGPCL I - Allocated capacity	16	34.27%	5.48	11.13	9.39	0.71	0.98	2.68	3.19	0.00	0.00	0.00	0.00	0.00	0.00	3.39	4.16	0.27	0.51	0.00	0.00	0.00	0.77
18	APGPCL II - Allocated capacity	42.8	34.27%	14.67	30.90	42.18	1.50	3.37	6.64	14.61	0.00	0.00	0.00	0.00	0.00	0.00	8.14	17.98	1.87	7.97	0.00	0.00	0.00	9.84
	Total APGPCL	58.8			42.03	51.57	2.21	4.35	9.32	17.79	0.00	0.00	0.00	0.00	0.00	0.00	11.53	22.14	2.14	8.47	0.00	0.00	0.00	10.61
	IPPs - Gas																							
19	Godavari Gas Power Plant	217	34.27%	74.31	345.01	215.08	27.26	8.89	75.90	63.46	0.00	0.00	0.00	0.00	0.00	0.00	103.16	72.36	-18.37	-12.44	0.00	0.00	0.00	-30.80
20	Spectrum Power	205	0%	0.00	323.54	185.61	29.77	17.08	77.32	49.20	0.00	0.00	0.00	0.00	0.00	0.00	107.09	66.28	-12.69	-28.12	0.00	0.00	0.00	-40.81
21	LANCO Kondapalli	262	0%	0.00	401.58	259.87	38.55	14.12	93.57	73.62	0.00	0.00	0.00	0.00	0.00	0.00	132.12	87.74	-24.43	-19.95	0.00	0.00	0.00	-44.38
	Total IPPs - Gas				1,070.13	660.56	95.58	40.09	246.79	186.28	0.00	0.00	0.00	0.00	0.00	0.00	342.37	226.37	-55.49	-60.51	0.00	0.00	0.00	-116.00
	NCE																							
22	NCE- Others	386			365.09	80.26	0.00	0.00	171.73	31.27	0.00	0.00	0.00	0.00	0.00	0.00	171.73	31.27	0.00	-140.46	0.00	0.00	0.00	-140.46
23	NCE Wind	3910	0%	0.00	3,155.04	0.00	0.00	0.00	1,460.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,460.78	0.00	0.00	-1,460.78	0.00	0.00	0.00	-1,460.78
24	NCE Solar	3742		0.00	2,049.90	763.88	0.00	0.00	911.63	321.80	0.00	0.00	0.00	0.00	0.00	0.00	911.63	321.80	0.00	-589.83	0.00	0.00	0.00	-589.83
25	JNNSM Ph-1 Solar	85			22.39	15.86	0.00	0.00	23.89	19.87	0.00	0.00	0.00	0.00	0.00	0.00	23.89	19.87	0.00	-4.02	0.00	0.00	0.00	-4.02
26	JNNSM Ph-2 Solar				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
																	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
																	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total NCE				5,592.42	860.00	0.00	0.00	2,568.03	372.94	0.00	0.00	0.00	0.00	0.00	0.00	2,568.03	372.94	0.00	-2,195.09	0.00	0.00	0.00	-2,195.09
	IPPs - Others																							
27	Srivathsa (Exclusive EPDCL)			0.00	91.85	9.87	4.44	0.47	26.73	2.89	0.00	0.00	0.00	0.00	0.00	0.00	31.17	3.36	-3.97	-23.84	0.00	0.00	0.00	-27.81
28	KSK Mahanadi (MT)			0.00	956.64	731.95	153.52	112.65	248.73	201.31	0.00	0.00	0.00	0.00	0.00	0.00	402.25	313.96	-40.87	-47.42	0.00	0.00	0.00	-88.29
29	Thermal Power Tech			0.00	551.49	635.09	100.08	101.08	108.09	147.57	0.00	0.00	0.00	0.00	0.00	0.00	208.17	248.66	1.00	39.48	0.00	0.00	0.00	40.49
30	Hinduja	1040	100.00%	1040.00		942.03		0.00		359.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	359.85	0.00	359.85	0.00	0.00	0.00	359.85
	Total IPPs - Others				1,599.98	2,318.94	258.04	214.21	383.55	711.63	0.00	0.00	0.00	0.00	0.00	0.00	641.59	925.84	-43.83	328.08	0.00	0.00	0.00	284.245
	Market																							
31	SHORT TERM PURCHASE					1,250.01		0.00		490.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	490.12	0.00	490.12	0.00	0.00	0.00	490.12
32	SHORT TERM SALES																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	SWAP RECEIPTS				203.56		0.00		81.43								81.43	0.00	0.00	-81.43	0.00	0.00	0.00	-81.43
34	SWAP RETURN				-1,412.56	-1,129.29	-153.24	0.00	-414.51	-422.47	0.00	0.00	0.00	0.00	0.00	0.00	-567.75	-422.47	153.24	-7.96	0.00	0.00	0.00	145.28
	Total Market				-1,209.00	120.72	-153.24	0.00	-333.08	67.65	0.00	0.00	0.00	0.00	0.00	0.00	-486.32	67.65	153.24	400.73	0.00	0.00	0.00	553.97
35	D<-->D TRANSACTION				616.34	4,854.88	0.00	0.00	247.77	1,951.66	0.00	0.00	0.00	0.00	0.00	0.00	247.77	1,951.66	0.00	1,703.89	0.00	0.00	0.00	1,703.89
	Total				24,154.22	22,816.62	2,161.06	2,153.82	7,168.07	7,590.87	0.00	0.00	0.00	0.00	0.00	0.00	9,329.13	9,744.69	-7.24	422.80	0.00	0.00	0.00	415.56



## **ANNEXURE- 4**

### **List of persons who submitted views/objections/suggestions Written submissions**

<b>S. No.</b>	<b>Name of the Objector &amp; Address</b>
1.	Sri. M. Venugopala Rao
2.	Sri. O.L.Kantha Rao
3.	Sri. M.Thimma Reddy
4.	Sri P.Vijaya Gopal Reddy
5.	ArcelorMittal Nippon Steel India Limited
6.	Sri. S.Baba Fakruddin
7.	M/s. Chettinad Cement Corporation Pvt. Ltd., Dacheipalli.
8.	M/s. Karthikeya & Kaushik Law chambers
9.	Sri. CH.Babu Rao, CPI(M) State Secretariat Member

### **List of persons who participated in virtual public hearing on 24.11.2021**

<b>Sl. No</b>	<b>Participant</b>
1	AP Ferro Alloys
2	Abhinay Reddy M
3	Anannya Ghosh
4	Avinash Desai
5	Baburao Ch
6	Brahmananda Rao G.V
7	CH. Babu Rao, CPI(M)
8	Girdhar Gopal Khattar
9	Gouurri Prasad
10	Gunaranjan Challa
11	IWPA Andhra Pradesh
12	Kaushik Soni
13	Mahesh Kumar
14	Mazag Andrabi
15	Naman Kamdar
16	Nethan Reddy
17	Pavan Chandra
18	Raghav Reddy
19	Rajkumar Geddam
20	Rishika Gupta
21	Sairam Kanakamedala
22	Salman Chowdhary
23	Sanjay Suraneni
24	Santosh Jadhav Advocate
25	Shiva Rao P
26	Shivkumar
27	Shreekant Vijay Dhuri
28	Shubhi Sharma
29	SN Reddy

<b>Sl. No</b>	<b>Participant</b>
30	Srilalitha Alajangi
31	Stephan Raj Jonnada
32	Tarun Reddy
33	Venugopala Rao
34	Vijay Reddy
35	Senthil Kumar

## ANNEXURE - 5

### APERC public notice on True up cost for FY2019-20 APSPDCL & APEPDCL



#### ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

#11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Khairatabad  
Hyderabad 500 004 Phones: 23397 - 381, 399, 556, 656 Fax: 2339 7378

O.P. No.15 of 2021

#### PUBLIC NOTICE

Determination of the True up for Retail Supply Business for FY 2019-20 of APEPDCL in accordance with the "Andhra Pradesh Electricity Regulatory Commission (Terms And Conditions For Determination Of Tariff For Wheeling And Retail Sale Of Electricity) Regulation No.4 of 2005 and amendments issued from time to time".

TAKE NOTICE that the petition filed in the above matter is taken on the file of the Commission. [The petition is placed on the website of the Commission](#) for reference of all the stakeholders.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [commn-secy@aperc.in](mailto:commn-secy@aperc.in) and copies of the same may be sent to the petitioner.

3. TAKE FURTHER NOTICE that the subject matter of the petition will be taken up for public hearing on **12-05-2021** at 11.00 AM through web hearing and any interested person / organization desirous of being heard in person, may appear before the Commission on the said date of public hearing.

Place: Hyderabad  
Date: 08-04-2021

  
\_\_\_\_\_  
Commission Secretary (i/c)





**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

#11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Khairatabad  
Hyderabad 500 004 Phones: 23397 - 381, 399, 556, 656 Fax: 2339 7378

O.P. No.37 of 2021

**PUBLIC NOTICE**

Determination of the True up for Retail Supply Business for FY 2019-20 for APSPDCL in accordance with the "Andhra Pradesh Electricity Regulatory Commission (Terms And Conditions For Determination Of Tariff For Wheeling And Retail Sale Of Electricity) Regulation No.4 of 2005 and amendments issued from time to time".

TAKE NOTICE that the petition filed in the above matter is taken on the file of the Commission. [The petition is placed on the website of the Commission](#) for reference of all the stakeholders.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [commn-secy@aperc.in](mailto:commn-secy@aperc.in) and copies of the same may be sent to the petitioner.

3. TAKE FURTHER NOTICE that the subject matter of the petition will be taken up for public hearing on **12-05-2021** at 11.00 AM through web hearing and any interested person / organization desirous of being heard in person, may appear before the Commission on the said date of public hearing.

Place: Hyderabad  
Date: 08-04-2021

  
Commission Secretary<sub>(ilc)</sub>

## ANNEXURE - 6

### PAPER NOTIFICATION



**ఆంధ్రప్రదేశ్ విద్యుత్ నియంత్రణ మండలి**  
 # 26.11-4-660, చౌగళి బండ్లు పింగళి రోడ్, రేడ్ హిల్స్, ఖైరతాబాద్, హైదరాబాద్-500 004  
 ఫోన్: 040-23397, 381, 399, 556, 656, ఫ్యాక్స్: 040-2339 7378

ఇది 2019-20 సంవత్సరం రిటైల్ సరఫరా వ్యాపారమునకు సంబంధించి రిటైల్ కొనుగోలు ఖర్చు మరియు ఆదాయముల పై టీ పీ టీ పీ విషయంలో

**వివరాల ప్రకటన**

ఇందువలనగా దూరదూరీకి తెలియజేయవలసిమనగా ఆంధ్రప్రదేశ్ విద్యుత్ ప్రాంత మరియు దక్షిణ ప్రాంత విద్యుత్ పంపిణీ సంస్థలు ఆర్థిక సంవత్సరం 2019-20కు రిటైల్ సరఫరా వ్యాపారమునకు సంబంధించి రిటైల్ కొనుగోలు ఖర్చు మరియు ఆదాయములకు సంబంధించి రాఖలు చేసిన క్రింద క్రింద పేర్ల చిట్టిపత్రిక 24-11-2021 తేదీన హైదరాబాద్ లోని పి.పి.ఆర్.ఎస్.సి. వారి కోర్టు సమావేశ మందిరము నుండి వీడియో కాన్ఫరెన్స్ (Link: <https://meet.google.com/azk-mcy-kbb>) ద్వారా కమిషన్ సమావేశమున విచారణ జరుపబడుతుంది.

కేసు నంబర్	పంపిణీ సంస్థ	(ప్రతి-అంట్)	పెట్టు (రూ.కోట్లలో)
ఎ.పి. సంఖ్య 15/2021	ఎస్.ఎస్.ఎస్.ఎస్.ఎస్.	రిటైల్ సరఫరా వ్యాపారం (విద్యుత్ కొనుగోలు ఖర్చు మరియు ఆదాయం)	రూ.701.28
ఎ.పి. సంఖ్య 37/2021	పి.పి.ఎస్.ఎస్.ఎస్.ఎస్.	రిటైల్ సరఫరా వ్యాపారం (విద్యుత్ కొనుగోలు ఖర్చు మరియు ఆదాయం)	రూ.1841.58

ఈ చిట్టిపత్రికల కమిషన్ వెబ్ సైటు <https://www.aperc.gov.in> → Hearings → Public Hearings నుండి పొందవచ్చును.

2. పైన పేర్కొన్న చిట్టిపత్రికలకు సంబంధించి అభిప్రాయం వ్యక్తం చేయవలసిన వారు / అభిప్రాయాలు / సూచనలు సెక్రటరీ, APERC కి పట్టికీ చిరునామాగా తెలియజేయవలసి. లేదా [comm-secy@aperc.in](mailto:comm-secy@aperc.in) చిరునామాగా పంపిణీ చేయవలసి.

3. విచారణలో పాల్గొనగోరు అభిప్రాయం వ్యక్తం చేయవలసిన వారు / అభిప్రాయాలు వ్యక్తం చేయగలిగిన వారు / వారి అధికార ప్రతినిధుల ద్వారా తమ పైన తెలిపిన విచారణ తేదీ నాడు కమిషన్ వారి నుండి వీడియో కాన్ఫరెన్స్ ద్వారా వారు తమ వాదనలను మరియు పైన తెలిపిన చిట్టిపత్రిక విషయంలో తమ అభిప్రాయాలు / అభిప్రాయాలు / సూచనలను సమర్పించవచ్చును.

స/-  
 ప్రతిపక్ష: హైదరాబాద్  
 తేదీ: 29-10-2021  
 కమిషన్ సెక్రటరీ (ఎ.సి.)

Sakshi, Page No.7, dt.29-10-2021



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
 #114-660, 4th Floor, Singareni Bhavan, Red Hills, Khairatabad, Hyderabad-500 004. Phones: 040-23397-381, 399, 556, 656 Fax: 2339 7378

In the matter of Power Purchase Cost & Revenue True up of Retail Supply Business petitions for FY 2019-20

**PUBLIC NOTICE**

TAKE NOTICE THAT the following petitions filed by Eastern and Southern Power Distribution Companies of A.P. Ltd for true-up of Power Purchase Cost & Revenue of Retail Supply Business for FY 2019-20 will be taken up for hearing before the Commission on 24-11-2021 through video conference (Link: <https://meet.google.com/azk-mcy-kbb>) from its Court Hall, Hyderabad.

Case No.	DISCOM	True-up of	Amount (Rs.Cr)
O.P.No.15 of 2021	APEPOCL	Retail Supply Business (PP cost & Revenue)	701.28
O.P.No.37 of 2021	AFSPDCL	Retail Supply Business (PP cost & Revenue)	1841.58

The petitions can be accessed from the Commission's website at <https://www.aperc.gov.in> → Hearings → Public Hearings.

2) The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [comm-secy@aperc.in](mailto:comm-secy@aperc.in) and copies of the same may be sent to the petitioner.

3) All the interested persons / associations / stakeholders / objectors who want to be heard in person / through authorised representatives may also appear before the Commission through video conference on the said date of hearing and submit their views / objections / suggestions in respect of the above mentioned petitions.

Hyderabad  
 Date : 29-10-2021  
 Sd/-  
 Commission Secretary (I/C)

The Times of India, Page No.14, dt.30-10-2021

## ANNEXURE - 7

### Filing and Approved: Power purchase cost for FY2020-21 – APSPDCL

Generating Station	Dispatch (MU)			Fixed Cost (Cr.)			Variable Cost (Cr.)			Total Cost (Cr.)		
	Approved	Actual	Diff.	Approved	Actual	Diff.	Approved	Actual	Diff.	Approved	Actual	Diff.
<b>Aggenco-Thermal</b>												
Dr. NTTPS	2567.82	1973.74	-594.08	283.54	274.78	-8.76	857.66	659.23	-198.43	1141.19	934.01	-207.19
Dr. NTTPS-IV	1106.35	1096.80	-9.54	118.06	114.41	-3.64	348.50	345.49	-3.01	466.56	459.91	-6.65
NTTPS V	931.61	0.00	-931.61	167.69	0.00	-167.69	292.53	0.00	-292.53	460.22	0.00	-460.22
RTPP Stage-I	465.31	107.76	-357.56	108.25	104.91	-3.34	179.61	41.59	-138.02	287.87	146.51	-141.36
RTPP Stage-II	295.59	305.92	10.33	105.46	102.20	-3.26	114.10	118.09	3.98	219.56	220.29	0.73
RTPP Stage-III	75.25	86.44	11.19	78.02	75.61	-2.41	29.04	33.36	4.32	107.06	108.97	1.91
RTPP Stage-IV	646.28	328.04	-318.24	116.33	341.26	224.93	236.54	103.91	-132.62	352.87	445.17	92.31
APPDCL	5197.20	2746.08	-2451.12	1020.75	532.17	-488.58	1631.92	862.27	-769.65	2652.67	1394.44	-1258.23
<b>Aggenco-Thermal Total</b>	<b>11285.41</b>	<b>6644.78</b>	<b>-4640.64</b>	<b>1998.10</b>	<b>1545.34</b>	<b>-452.75</b>	<b>3689.90</b>	<b>2163.95</b>	<b>-1525.95</b>	<b>5688.00</b>	<b>3709.29</b>	<b>-1978.70</b>
Srisaillam RCPH	391.78	446.65	54.87	91.70	88.87	-2.83	0.00	0.00	0.00	91.70	88.87	-2.83
NSRCPH	47.55	62.22	14.67	10.51	10.19	-0.33	0.00	0.00	0.00	10.51	10.19	-0.33
NSTPDC PH	37.56	0.23	-37.33	21.46	3.47	-18.00	0.00	0.00	0.00	21.46	3.47	-18.00
Upper Sileru	180.48	72.99	-107.49	31.95	22.49	-9.45	0.00	0.00	0.00	31.95	22.49	-9.45
Lower Sileru	445.25	268.33	-176.92	61.22	35.69	-25.54	0.00	0.00	0.00	61.22	35.69	-25.54
Donkarayi	40.47	445.74	405.27	3.33	49.98	46.66	0.00	0.00	0.00	3.33	49.98	46.66
PABM	2.37	44.90	42.52	5.45	3.57	-1.89	0.00	0.00	0.00	5.45	3.57	-1.89
Minihydel(Chettipet)	1.10	0.72	-0.38	0.71	4.52	3.81	0.00	0.00	0.00	0.71	4.52	3.81
Machkund AP Share	124.11	138.90	14.79	17.38	14.16	-3.22	0.00	0.00	0.00	17.38	14.16	-3.22
TB Dam AP Share	51.79	59.76	7.97	7.25	9.71	2.46	0.00	0.00	0.00	7.25	9.71	2.46
<b>Genco Hydel Total</b>	<b>1322.46</b>	<b>1540.46</b>	<b>217.99</b>	<b>250.97</b>	<b>242.64</b>	<b>-8.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>250.97</b>	<b>242.64</b>	<b>-8.33</b>
<b>APGENCO-TOTAL</b>	<b>12607.87</b>	<b>8185.22</b>	<b>-4422.65</b>	<b>2249.06</b>	<b>1787.98</b>	<b>-461.08</b>	<b>3689.90</b>	<b>2163.95</b>	<b>-1525.95</b>	<b>5938.96</b>	<b>3951.93</b>	<b>-1987.03</b>
APGPCI Stage-I	8.65	14.99	6.35	1.80	3.12	1.32	2.08	3.60	1.52	3.88	6.72	2.84
APGPCI Stage-II	27.57	40.07	12.50	1.78	2.51	0.73	5.93	9.46	3.53	7.71	11.97	4.25
Godavari Gas Power Plant	331.95	251.39	-80.56	26.23	10.09	-16.14	73.03	58.25	-14.78	99.25	68.33	-30.92
Spectrum Power	0.00	162.62	162.62	0.00	0.00	0.00	0.00	42.69	42.69	0.00	42.69	42.69
LANCO Kondapalli	0.00	390.51	390.51	0.00	0.00	0.00	0.00	109.66	109.66	0.00	109.66	109.66
<b>GAS-TOTAL</b>	<b>368.16</b>	<b>859.58</b>	<b>491.42</b>	<b>29.81</b>	<b>15.72</b>	<b>-14.09</b>	<b>81.04</b>	<b>223.65</b>	<b>142.61</b>	<b>110.84</b>	<b>239.37</b>	<b>128.53</b>
NTPC(SR) Ramagundam I & II	824.51	740.97	-83.53	59.56	58.38	-1.17	228.39	197.29	-31.10	287.94	255.67	-32.27
NTPC(SR) Simhadri Stage-I	841.56	1076.38	234.82	129.13	128.03	-1.10	284.44	326.38	41.93	413.58	454.41	40.83
NTPC(SR) Simhadri Stage-II	408.89	477.66	68.76	85.36	86.12	0.76	136.57	138.02	1.45	221.92	224.14	2.22
NTPC(SR) Talcher Stage-II	502.00	517.16	15.16	36.52	40.39	3.87	119.98	100.90	-19.08	156.50	141.29	-15.21
NTPC(SR) Ramagundam III	224.03	168.78	-55.25	16.07	14.81	-1.26	61.16	39.91	-21.25	77.23	54.72	-22.51
NTECL Kudgi Stage-I	53.63	179.85	126.22	138.64	104.49	-34.15	21.34	57.52	36.18	159.98	162.01	2.02
NTECL Valluru	125.73	122.81	-2.92	52.35	46.40	-5.95	47.52	36.76	-10.76	99.87	83.16	-16.72
NLC Stage-I	110.58	98.62	-11.96	9.86	7.26	-2.60	29.19	46.69	17.50	39.05	53.95	14.90
NLC Stage-II	203.36	127.32	-76.04	18.37	9.81	-8.56	53.69	54.59	0.90	72.06	64.40	-7.66
NPC(MAPS)	17.29	22.57	5.28	0.00	0.00	0.00	3.85	7.20	3.34	3.85	7.20	3.34
NPC(KAIGA unit I,II,III,IV)	331.28	336.95	5.66	0.00	0.00	0.00	106.67	120.09	13.41	106.67	120.09	13.41
NTPL(NLC TamilNadu)	321.46	305.44	-16.02	57.86	65.84	7.98	101.58	107.35	5.77	159.44	173.19	13.75
NLC NNTPS	150.89	64.61	-86.28	32.42	13.22	-19.20	34.85	15.55	-19.30	67.27	28.77	-38.50
JNNM Ph-1 Thermal	13.80	70.83	57.03	2.33	0.00	-2.33	5.42	31.52	26.10	7.75	31.52	23.77
JNNM Ph-2 Thermal	1796.30	726.18	-1070.12	303.57	0.00	-303.57	546.08	307.14	-238.94	849.65	307.14	-542.51
NTPC WR&NR(Sept 2019)	0.00	0.00	0.00	0.00	-0.05	-0.05	0.00	0.31	0.31	0.00	0.26	0.26
<b>CGS TOTAL</b>	<b>5925.32</b>	<b>5036.12</b>	<b>-889.20</b>	<b>942.02</b>	<b>574.70</b>	<b>-367.33</b>	<b>1780.75</b>	<b>1587.21</b>	<b>-193.54</b>	<b>2722.78</b>	<b>2161.91</b>	<b>-560.87</b>
KSK Mahanadi	1161.66	380.43	-781.23	174.25	63.04	-111.20	321.78	104.51	-217.27	496.03	167.55	-328.47
Thermal Powertech Corporation	669.68	655.73	-13.96	110.50	113.79	3.29	150.68	242.78	92.10	261.18	356.56	95.39
Hinduja National Powercorp	0.00	430.35	430.35	0.00	0.00	0.00	0.00	164.40	164.40	0.00	164.40	164.40
SRIVATHSA												
<b>IPP TOTAL</b>	<b>1831.35</b>	<b>1466.51</b>	<b>-364.84</b>	<b>284.74</b>	<b>176.83</b>	<b>-107.91</b>	<b>472.46</b>	<b>511.68</b>	<b>39.22</b>	<b>757.20</b>	<b>688.51</b>	<b>-68.69</b>
NCE- Others	152.48	185.80	33.32	0.00	0.00	0.00	78.83	76.86	-1.97	78.83	76.86	-1.97
NCE Wind	5012.05	6121.70	1109.66	0.00	0.00	0.00	2320.58	2883.73	563.15	2320.58	2883.73	563.15
NCE Solar	3785.10	6295.11	2510.02	0.00	0.00	0.00	1676.16	2812.73	1136.57	1676.16	2812.73	1136.57
Ramagiri Wind Mills	0.00	0.81	0.81	0.00	0.57	0.57	0.00	0.00	0.00	0.00	0.57	0.57
<b>NCE TOTAL</b>	<b>8949.62</b>	<b>12603.42</b>	<b>3653.80</b>	<b>0.00</b>	<b>0.57</b>	<b>0.57</b>	<b>4075.57</b>	<b>5773.32</b>	<b>1697.76</b>	<b>4075.57</b>	<b>5773.90</b>	<b>1698.33</b>
SHORT TERM PURCHASE	0.00	3614.57	3614.57	0.00	0.10	0.10	0.00	1305.70	1305.70	0.00	1305.80	1305.80
POSOCO (CGS UI charges)	0.00	-1.64	-1.64	0.00	20.24	20.24	0.00	0.00	0.00	0.00	20.24	20.24
SCAD	0.00	0.00	0.00	0.00	-11.29	-11.29	0.00	0.00	0.00	0.00	-11.29	-11.29
AP Genco Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-17.47	-17.47	0.00	-17.47	-17.47
AP Genco FCA Claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-42.26	-42.26	0.00	-42.26	-42.26
APDCL Diff FC and FCA Claims	0.00	0.00	0.00	0.00	0.56	0.56	0.00	-3.66	-3.66	0.00	-3.09	-3.09
<b>D&lt;---&gt;D TRANSACTION</b>	<b>-2268.26</b>	<b>-7896.36</b>	<b>-5628.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1068.35</b>	<b>-3553.38</b>	<b>-2485.03</b>	<b>-1068.35</b>	<b>-3553.38</b>	<b>-2485.03</b>
<b>Total</b>	<b>27414.06</b>	<b>23867.43</b>	<b>-3546.63</b>	<b>3505.64</b>	<b>2565.40</b>	<b>-940.23</b>	<b>9031.37</b>	<b>7948.76</b>	<b>-1082.61</b>	<b>12537.00</b>	<b>10514.16</b>	<b>-2022.84</b>
2019-20 Adjustments	0.00	-619.16	-619.16	0.00	0.00	0.00	0.00	-216.60	-216.60	0.00	-216.60	-216.60
<b>GRAND TOTAL</b>	<b>27414.06</b>	<b>23248.27</b>	<b>-4165.80</b>	<b>3505.64</b>	<b>2565.40</b>	<b>-940.23</b>	<b>9031.37</b>	<b>7732.15</b>	<b>-1299.22</b>	<b>12537.00</b>	<b>10297.56</b>	<b>-2239.45</b>



## ANNEXURE - 8

### Filing and Approved: Power purchase cost for FY2020-21 – APEPDCL

Station No	Station	AP Capacity (MW)	APEPDCL (%)	APEPDC L (MW)	Energy Purchased (MU)		Cost Components (Rs.Cr)												Cost Variance Claim (Rs.Cr)					
					Tariff Order	Actual	Fixed		Variable		Incentive		Income Tax		Others		Total		Fixed Diff.	Variable Diff.	Incentive Diff.	Income Diff.	Others Diff.	Total Diff.
							Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual						
	APGENCO Thermal																							
1	Dr. NTTPS	1260	36.22%	456	2,761.29	1,767.78	232.85	246.10	922.26	590.44	0.00	0.00	0.00	0.00	0.00	0.00	1,155.11	836.54	13.25	-331.82	0.00	0.00	0.00	-318.57
2	Dr. NTTPS-IV	500	36.22%	181	1,110.76	982.35	96.96	102.47	349.89	309.44	0.00	0.00	0.00	0.00	0.00	0.00	446.85	411.91	5.51	-40.45	0.00	0.00	0.00	-34.94
3	Dr. NTTPS-V	800	36.22%		765.09	0.00	137.72	0.00	240.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	377.96	0.00	-137.72	-240.24	0.00	0.00	0.00	-377.96
4	RTPP Stage-I	420	36.22%	152	920.43	96.51	88.91	93.97	355.29	37.25	0.00	0.00	0.00	0.00	0.00	0.00	444.20	131.22	5.06	-318.04	0.00	0.00	0.00	-312.98
5	RTPP Stage-II	420	36.22%	152	920.43	274.00	86.61	91.54	355.29	105.76	0.00	0.00	0.00	0.00	0.00	0.00	441.90	197.30	4.93	-249.53	0.00	0.00	0.00	-244.60
6	RTPP Stage-III	210	36.22%	76	433.83	77.42	64.07	67.72	167.46	29.88	0.00	0.00	0.00	0.00	0.00	0.00	231.53	97.60	3.65	-137.58	0.00	0.00	0.00	-133.93
7	RTPP Stage-IV	600	36.22%	217	1,332.91	293.80	239.92	302.74	487.85	93.69	0.00	0.00	0.00	0.00	0.00	0.00	727.77	396.42	62.82	-394.16	0.00	0.00	0.00	-331.35
8	APPDCL	1600	36.22%		4,438.16	2,459.52	838.30	476.63	1,393.59	772.29	0.00	0.00	0.00	0.00	0.00	0.00	2,231.89	1,248.92	-361.67	-621.30	0.00	0.00	0.00	-982.97
9	AP Genco Recovery				0.00	0.00	0.00	0.00	0.00	-15.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-15.65	0.00	-15.65	0.00	0.00	0.00	-15.65
10	AP Genco FCA Claims				0.00	0.00	0.00	0.00	0.00	-37.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-37.85	0.00	-37.85	0.00	0.00	0.00	-37.85
11	APPDCL Diff FC and FCA Claims FY 20-21				0.00	0.00	0.00	0.51	0.00	-3.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.77	0.51	-3.27	0.00	0.00	0.00	-2.77
	<b>Total APGENCO Thermal</b>	<b>5810</b>	<b>289.76%</b>	<b>1235</b>	<b>12,682.90</b>	<b>5951.38</b>	<b>1,785.34</b>	<b>1381.68</b>	<b>4,271.87</b>	<b>1881.98</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,057.21</b>	<b>3263.66</b>	<b>-403.66</b>	<b>-2,389.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2793.55</b>
	APGENCO Hydel																							
12	Srisailem RCPH	770	36.22%	279	321.75	400.04	75.31	79.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.31	79.60	4.29	0.00	0.00	0.00	0.00	4.29
13	NSRCPH	90	36.22%	33	39.05	55.73	8.63	9.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.63	9.12	0.49	0.00	0.00	0.00	0.00	0.49
14	NSTPDC PH	50	36.22%	18	30.84	0.21	17.63	3.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.63	3.11	-14.52	0.00	0.00	0.00	0.00	-14.52
15	Upper Sileru	240	36.22%	87	148.22	65.37	26.23	20.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.23	20.15	-6.08	0.00	0.00	0.00	0.00	-6.08
16	Lower Sileru	460	36.22%	167	365.67	240.33	50.28	31.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.28	31.96	-18.32	0.00	0.00	0.00	0.00	-18.32
17	Donkarayi	25	36.22%	9	33.23	399.22	2.73	44.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.73	44.77	42.04	0.00	0.00	0.00	0.00	42.04
18	PABM	20	36.22%	7	1.95	40.21	4.48	3.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.48	3.19	-1.29	0.00	0.00	0.00	0.00	-1.29
19	Minuhydel(Chettipet)	1	36.22%	0	0.91	0.65	0.58	4.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58	4.05	3.47	0.00	0.00	0.00	0.00	3.47
20	Machikund AP Share	84	36.22%	30	101.93	124.40	20.22	12.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.22	12.68	-7.54	0.00	0.00	0.00	0.00	-7.54
21	TB Dam AP Share	57.6	36.22%	21	42.53	53.52		8.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.69	8.69	0.00	0.00	0.00	0.00	8.69
22	Ramagiri Wind Mills		36.22%			0.72		0.51										0.51	0.51	0.00	0.00	0.00	0.00	0.51
	<b>Total APGENCO Hydel</b>	<b>1797.6</b>		<b>651</b>	<b>1,086.08</b>	<b>1,380.42</b>	<b>206.09</b>	<b>217.83</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>206.09</b>	<b>217.83</b>	<b>11.74</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.74</b>
	CGS																							
23	NTPC(SR) Ramagundam I & II	273.42	36.22%	99.03	677.13	663.65	48.91	52.29	187.57	176.70	0.00	0.00	0.00	0.00	0.00	0.00	236.48	228.99	3.38	-10.87	0.00	0.00	0.00	-7.49
24	NTPC(SR) Simhadri Stage-I	461.10	36.22%	167.01	1,223.54	964.05	106.05	114.67	413.56	292.38	0.00	0.00	0.00	0.00	0.00	0.00	519.61	407.05	8.62	-121.18	0.00	0.00	0.00	-112.56
25	NTPC(SR) Simhadri Stage-II	190.00	36.22%	68.82	481.81	427.81	70.10	77.13	160.93	122.57	0.00	0.00	0.00	0.00	0.00	0.00	231.03	199.71	7.03	-38.36	0.00	0.00	0.00	-31.32
26	NTPC(SR) Talcher Stage-II	175.20	36.22%	63.46	412.27	463.19	29.99	36.18	98.53	90.37	0.00	0.00	0.00	0.00	0.00	0.00	128.52	126.55	6.19	-8.16	0.00	0.00	0.00	-1.97
27	NTPC(SR) Ramagundam III	68.80	36.22%	24.92	183.98	151.17	13.19	13.27	50.23	35.74	0.00	0.00	0.00	0.00	0.00	0.00	63.42	49.01	0.08	-14.49	0.00	0.00	0.00	-14.41
28	NTPC Kudgi Stage-I	215.04	36.22%	77.89	524.53	161.08	113.86	93.58	208.76	51.52	0.00	0.00	0.00	0.00	0.00	0.00	322.62	145.10	-20.28	-157.24	0.00	0.00	0.00	-177.52
29	NTECL Valurru	87.90	36.22%	31.84	232.82	110.00	43.00	41.55	88.01	32.92	0.00	0.00	0.00	0.00	0.00	0.00	131.01	74.48	-1.45	-55.09	0.00	0.00	0.00	-56.53
30	NLC Stage-I	47.65	36.22%	17.26	90.81	88.33	8.09	6.50	23.97	40.55	0.00	0.00	0.00	0.00	0.00	0.00	32.06	47.05	-1.59	16.58	0.00	0.00	0.00	14.99
31	NLC Stage-II	86.93	36.22%	31.49	167.01	114.03	15.08	8.79	44.09	47.62	0.00	0.00	0.00	0.00	0.00	0.00	59.17	56.41	-6.29	3.53	0.00	0.00	0.00	-2.76
32	NPC(MAPS)	18.40	36.22%	6.66	14.19	20.21	0.00	0.00	3.17	6.45	0.00	0.00	0.00	0.00	0.00	0.00	3.17	6.45	0.00	3.28	0.00	0.00	0.00	3.28
33	NPC(KAIGA unit I,II,III,IV)	116.23	36.22%	42.10	272.07	301.79	0.00	0.00	87.61	107.62	0.00	0.00	0.00	0.00	0.00	0.00	87.61	107.62	0.00	20.01	0.00	0.00	0.00	20.01
34	NTPC(NLC TamilNadu)	123.23	36.22%	44.63	312.70	273.57	47.52	58.97	98.81	94.58	0.00	0.00	0.00	0.00	0.00	0.00	146.33	153.54	11.45	-4.23	0.00	0.00	0.00	7.21
35	NLC NNTPS	52.80	36.22%	19.12	123.92	57.87	26.62	11.84	28.63	13.89	0.00	0.00	0.00	0.00	0.00	0.00	55.25	25.73	-14.78	-14.74	0.00	0.00	0.00	-29.52
36	JNNSM Ph-1 Thermal	39.27	36.22%	14.22	84.65	63.44	14.31		33.27	28.28	0.00	0.00	0.00	0.00	0.00	0.00	47.58	28.28	-14.31	-4.99	0.00	0.00	0.00	-19.30
37	JNNSM Ph-2 Thermal	500.00	36.22%	181.10	1,475.23	650.40	249.31		448.47	284.02	0.00	0.00	0.00	0.00	0.00	0.00	697.78	284.02	-249.31	-164.45	0.00	0.00	0.00	-413.76
38	NTPC WR&NR		36.22%	0.00	0.00	0.00	0.00	-0.04	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.23	-0.04	0.28	0.00	0.00	0.00	0.23
39	UI CHARGES			0.00	0.00	-1.47	0.00	18.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.13	18.13	0.00	0.00	0.00	0.00	18.13
	SCAD			0.00	0.00	0.00	0.00	-8.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8.38	-8.38	0.00	0.00	0.00	0.00	-8.38
	<b>Total CGS</b>	<b>2455.97</b>		<b>889.55</b>	<b>6,276.66</b>	<b>4,509.12</b>	<b>786.03</b>	<b>524.47</b>	<b>1,975.61</b>	<b>1,425.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,761.64</b>	<b>1,949.96</b>	<b>-261.56</b>	<b>-550.12</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-811.68</b>

Station n No	Station	AP Capacity (MW)	APEPDCL (%)	APEPDC L (MW)	Energy Purchased (MU)		Cost Components (Rs.Cr)												Cost Variance Claim (Rs.Cr)					
					Tariff Order	Actual	Fixed		Variable		Incentive		Income Tax		Others		Total		Fixed Diff.	Variable Diff.	Incentive Diff.	Income Diff.	Others Diff.	Total Diff.
							Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual	Tariff	Actual						
	APGPCL																							
40	APGPCL I - Allocated capacity	16	36.22%	9.33	7.10	13.43	1.47	2.80	1.71	3.22	0.00	0.00	0.00	0.00	0.00	0.00	3.18	6.02	1.33	1.51	0.00	0.00	0.00	2.84
41	APGPCL II - Allocated capacity	42.8	36.22%	24.96	22.64	35.89	1.47	2.25	4.87	8.47	0.00	0.00	0.00	0.00	0.00	0.00	6.34	10.72	0.78	3.60	0.00	0.00	0.00	4.38
	Total APGPCL	58.8		34.29	29.74	49.32	2.94	5.05	6.58	11.69	0.00	0.00	0.00	0.00	0.00	0.00	9.52	16.74	2.11	5.11	0.00	0.00	0.00	7.22
	IPPs - Gas																							
42	Godavari Gas Power Plant	217	36.22%	78.53	272.61	225.16	21.54	9.04	59.98	52.17	0.00	0.00	0.00	0.00	0.00	0.00	81.52	61.20	-12.50	-7.81	0.00	0.00	0.00	-20.32
43	Spectrum Power	205	0%	0.00	0.00	145.65	0.00	0.00	0.00	38.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.29	0.00	38.29	0.00	0.00	0.00	38.29
44	LANCO Kondapalli	262	0%	0.00	0.00	349.76	0.00	0.00	0.00	97.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97.39	0.00	97.39	0.00	0.00	0.00	97.39
	Total IPPs - Gas	684		78.53	272.61	720.57	21.54	9.04	59.98	187.85	0.00	0.00	0.00	0.00	0.00	0.00	81.52	196.88	-12.50	127.87	0.00	0.00	0.00	115.36
	NCE																							
45	NCE - Others	386	100%	113.63	97.84	73.27	0.00	0.00	50.58	30.63	0.00	0.00	0.00	0.00	0.00	0.00	50.58	30.63	0.00	-19.95	0.00	0.00	0.00	-19.95
46	NCE Wind	3910	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
47	NCE Solar	3742	100%	12.00	174.58	14.92	0.00	0.00	103.00	9.43	0.00	0.00	0.00	0.00	0.00	0.00	103.00	9.43	0.00	-93.57	0.00	0.00	0.00	-93.57
48	JNNM Ph-1 Solar(Bundled power solar)	85			22.33	0.00	0.00	0.00	23.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.83	0.00	0.00	-23.83	0.00	0.00	0.00	-23.83
	Total NCE	8123			294.75	88.19	0.00	0.00	177.41	40.06	0.00	0.00	0.00	0.00	0.00	0.00	177.41	40.06	0.00	-137.35	0.00	0.00	0.00	-137.35
	IPPs - Others																							
49	KSK Mahanadi (MT)		36.22%	0.00	954.02	340.73	143.10	56.46	264.26	93.60	0.00	0.00	0.00	0.00	0.00	0.00	407.36	150.07	-86.64	-170.66	0.00	0.00	0.00	-257.29
50	Thermal Power Tech		36.22%	0.00	549.98	587.30	90.75	101.91	123.75	214.01	0.00	0.00	0.00	0.00	0.00	0.00	214.50	315.92	11.16	90.26	0.00	0.00	0.00	101.42
51	Hinduja	1040	36.22%	376.69		385.45				147.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	147.24	0.00	147.24	0.00	0.00	0.00	147.24
	Total IPPs - Others	1040		376.69	1,504.00	1,313.48	233.85	158.38	388.01	454.85	0.00	0.00	0.00	0.00	0.00	0.00	621.86	613.23	-75.47	66.84	0.00	0.00	0.00	-8.63
	Market																							
52	SHORT TERM PURCHASE Indian Energy				0.00	2,994.63	0.00	0.00	0.00	942.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	942.77	0.00	942.77	0.00	0.00	0.00	942.77
53	Indian Energy Exchange (STOA Charges)				0.00	0.00	0.00	0.00	0.00	129.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.93	0.00	129.93	0.00	0.00	0.00	129.93
54	Power Exchange India-PXIL(Energy Charges)				0.00	138.26	0.00	0.00	0.00	36.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.95	0.00	36.95	0.00	0.00	0.00	36.95
55	Power Exchange India-PXIL(STOA Charges)				0.00	0.00	0.00	0.00	0.00	7.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.72	0.00	7.72	0.00	0.00	0.00	7.72
56	NHPC LIMITED (Trading)				0.00	104.49	0.00	0.00	0.00	51.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.71	0.00	51.71	0.00	0.00	0.00	51.71
57	Kreate energy				0.00	0.00	0.00	0.00	0.00	0.058	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.06	0.00	0.00	0.00	0.06
58	Arunachal Pradesh Power Corporation(Swapping)				0.00	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.00	0.28	0.00	0.00	0.00	0.28
	Total Market				0.00	3,237.38	0.00	0.00	0.00	1,169.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,169.42	0.00	1,169.42	0.00	0.00	0.00	1,169.42
59	D<--->D TRANSACTION				3,572.90	4,982.10	0.00	0.00	1,682.84	2,239.97	0.00	0.00	0.00	0.00	0.00	0.00	1,682.84	2,239.97	0.00	557.13	0.00	0.00	0.00	557.13
	Others 2019-20																							
60	AP GENCO SOLAR 400MW 2019-20 COST					-238.34	0.00	0.00	0.00	-82.43	0.00	0.00	0.00	0.00	0.00	0.00	-82.43	0.00	-82.43	0.00	0.00	0.00	0.00	-82.43
61	NVVNL BUNDLED COAL 2019-20					-15.86	0.00	0.00	0.00	-19.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-19.87	0.00	-19.87	0.00	0.00	0.00	-19.87
62	NP KUNTA ULTRA AND SBG 2019-20					-170.19	0.00	0.00	0.00	-85.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-85.29	0.00	-85.29	0.00	0.00	0.00	-85.29
63	D To D Cost Adjustment for 2019-20					923.83	0.00	0.00	0.00	510.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	510.07	0.00	510.07	0.00	0.00	0.00	510.07
64	SECI 2019-20					-286.14	0.00	0.00	0.00	-128.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-128.76	0.00	-128.76	0.00	0.00	0.00	-128.76
	Others 2019-20 Total					213.30	0.00	0.00	0.00	193.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	193.72	0.00	193.72	0.00	0.00	0.00	193.72
65	Solar PP Cost accounted in LT/HT customers through Net metering									5.51							0.00	5.51	0.00	5.51	0.00	0.00	0.00	5.51
66	PP cost after offsetting of Reactive income & UI revenue									5.87							0.00	5.87	0.00	5.87	0.00	0.00	0.00	5.87
	Total	19,969.37		3,265.26	25,719.64	22,445.25	3,035.79	2,296.44	8,562.30	7,616.41	0.00	0.00	0.00	0.00	0.00	0.00	11,598.09	9,912.84	-739.35	-945.89	0.00	0.00	0.00	-1,685.25

## ANNEXURE - 9

### Filing and Approved: Power purchase cost for FY2020-21 – APCPDCL

SL.No	Name of the Thermal Station	Plant Capacity (MW)	Discom share(%) 23.34%	Energy MU			Fixed (A)			Variable (B)			Incentive @			Income Tax (D)			Others (E)			Total F=(A+B+C+D+E)		
				TO (a)	Actual(b)	Variance (c) = (b-a)	TO (d)	Actual(e)	Variance (f) = (e-d)	TO (g)	Actual(h)	Variance (i) = (h-g)	TO (j)	Actual(k)	Variance l = (k-j)	TO (m)	Actual(n)	Variance (o) = (n-m)	TO (p)	Actual(q)	Variance (r) = (q-p)	TO (s)	Actual(t)	Variance (u) = (t-s)
1	Dr.NTTPS-I	1260	294.08	545.05	1139.15	594.10	60.18	158.59	98.40	182.05	380.48	198.43										242.23	539.06	296.83
2	Dr.NTTPS-II			496.95		-496.95	54.87		-54.87	165.98		-165.98										220.86	0.00	-220.86
3	Dr.NTTPS-III			434.94		-434.94	48.03		-48.03	145.27		-145.27										193.30	0.00	-193.30
4	Dr.NTTPS-IV	500	116.70	636.34	633.02	-3.32	67.90	66.03	-1.87	200.45	199.40	-1.05										268.35	265.44	-2.92
5	RTPP Stage-I	420	98.03	267.64	62.19	-205.44	62.27	60.55	-1.71	103.31	24.01	-79.30										165.57	84.56	-81.02
6	RTPP Stage-II	420	98.03	170.02	176.56	6.55	60.66	58.99	-1.67	65.63	68.15	2.52										126.29	127.14	0.85
7	RTPP Stage-III	210	49.01	43.28	49.89	6.61	44.87	43.64	-1.24	16.71	19.26	2.55										61.58	62.89	1.31
8	RTPP Stage-IV	600	140.04	371.72	189.33	-182.40	66.91	196.96	130.05	136.05	59.97	-76.08										202.96	256.93	53.97
	<b>TOTAL (Thermal)</b>	<b>3410</b>	<b>795.89</b>	<b>2965.95</b>	<b>2250.14</b>	<b>-715.81</b>	<b>465.69</b>	<b>584.76</b>	<b>119.06</b>	<b>1015.45</b>	<b>751.27</b>	<b>-264.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1481.14</b>	<b>1336.02</b>	<b>-145.12</b>
9	Srisaillam -RBPH	770	179.72	225.34	257.79	32.44	52.75	51.29	-1.45	0.00	0.00	0.00										52.75	51.29	-1.45
10	NSRCPH	90	21.01	27.35	35.91	8.56	6.05	5.88	-0.17	0.00	0.00	0.00										6.05	5.88	-0.17
11	NSTPDC PH	50	11.67	21.60	0.00	-21.60	12.35	2.00	-10.34	0.00	0.00	0.00										12.35	2.00	-10.34
12	Sileru Complex	700	163.38	383.18	454.25	71.07	55.50	62.43	6.92	0.00	0.00	0.00										55.50	62.43	6.92
13	Pennaahobilam	20	4.67	1.37	25.91	24.55	3.14	2.06	-1.08	0.00	0.00	0.00										3.14	2.06	-1.08
14	Mini Hydel (Chettipeta)	1	0.23	0.64	0.42	-0.22	0.41	2.61	2.20	0.00	0.00	0.00										0.41	2.61	2.20
	<b>GENCO-HYDEL</b>	<b>1631</b>	<b>380.68</b>	<b>659.48</b>	<b>774.28</b>	<b>114.81</b>	<b>130.19</b>	<b>126.27</b>	<b>-3.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130.19</b>	<b>126.27</b>	<b>-3.92</b>
15	Inter-state hydel(Machkund-TBdam)	167	38.88	101.17	114.65	13.48	14.16	13.77	-0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.16	13.77	-0.39
	<b>APGENCO-TOTAL</b>	<b>5208</b>		<b>3726.60</b>	<b>3139.07</b>	<b>-587.52</b>	<b>610.05</b>	<b>724.79</b>	<b>114.75</b>	<b>1015.45</b>	<b>751.27</b>	<b>-264.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1625.49</b>	<b>1476.06</b>	<b>-149.43</b>
16	NTPC (SR) Ramagundam I & II	2100	490.14	474.23	427.65	-46.58	34.25	33.70	-0.56	131.36	113.86	-17.50										165.62	147.56	-18.06
17	NTPC (SR) Simhadri Stage 1	1000	233.40	484.04	621.23	137.19	74.28	73.89	-0.38	163.61	188.37	24.76										237.88	262.26	24.38
18	NTPC (SR) Simhadri Stage 2	1000	233.40	235.19	275.68	40.49	49.09	49.70	0.61	78.55	81.21	2.66										127.65	130.91	3.27
19	NTPC (SR) Talcher St. II	2000	466.80	288.74	298.48	9.74	21.00	23.31	2.31	69.01	58.23	-10.78										90.01	81.55	-8.47
20	NTPC (SR) Ramagundam Stage-III	500	116.70	128.85	97.41	-31.44	9.24	8.55	-0.69	35.18	23.03	-12.14										44.42	31.58	-12.84
21	NTPC Kudgi Stage 1	2400	560.16	30.85	103.80	72.95	79.74	60.30	-19.44	12.28	33.20	20.92										92.02	93.50	1.48
22	NTECL Valluru	1500	350.10	72.32	70.88	-1.44	30.11	26.78	-3.33	27.34	21.22	-6.12										57.45	47.99	-9.45
23	NLC Stage-I	630	147.04	63.60	56.92	-6.69	5.67	4.19	-1.48	16.79	27.07	10.28										22.46	31.26	8.80
24	NLC Stage-II	840	196.06	116.97	73.48	-43.49	10.56	5.66	-4.90	30.88	31.63	0.75										41.44	37.29	-4.16
25	NPC (MAPS)	440	102.70	9.94	13.03	3.08	0.00	0.00	0.00	2.22	4.15	1.94										2.22	4.15	1.94
26	NPC (Kaiga Unit-I,II)	880	205.39	94.37	194.47	100.10	0.00	0.00	0.00	30.38	69.30	38.91										30.38	69.30	38.91
27	NPC (Kaiga Unit-III & IV)			96.18		-96.18	0.00		0.00	30.97	69.30	-30.97										30.97	0.00	-30.97
28	NTPL (NLC Tamilnadu Power Ltd Stage-1)(TUTICORIN)	1000	233.40	184.90	176.29	-8.61	33.28	38.00	4.72	58.43	62.53	4.10										91.71	100.52	8.82
29	NLC NNTPS	1000	233.40	86.79	37.29	-49.50	18.64	7.63	-11.02	20.05	8.96	-11.09										38.69	16.59	-22.10
30	NTPPSV			535.84	0.00	-535.84	96.45	0.00	-96.45	168.25	0.00	-168.25										264.70	0.00	-264.70
	<b>CGS TOTAL</b>	<b>11190</b>	<b>2611.75</b>	<b>2902.81</b>	<b>2446.61</b>	<b>-456.20</b>	<b>462.33</b>	<b>331.71</b>	<b>-130.62</b>	<b>875.29</b>	<b>722.76</b>	<b>-152.53</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>1337.62</b>	<b>1054.47</b>	<b>-283.15</b>
31	JNNSM PH-1 THERMAL	39		7.94	40.88	32.94	1.34	0.00	-1.34	3.12	18.26	15.14										4.46	18.26	13.80
32	NCE-WIND TOTAL	3757	0.00	2882.80	0.00	-2882.80	0.00	0.00	0.00	1334.74	0.00	-1334.74										1334.74	0.00	-1334.74
33	NCE -OTHERS	292	81.03	87.70	87.91	0.21	0.00	0.00	0.00	45.34	58.52	13.18										45.34	58.52	13.18
34	NCE-SOLAR Total	2466	28.00	340.01	38.87	-301.14	0.00	0.00	0.00	200.60	25.71	-174.90										200.60	25.71	-174.90
35	NCE Solar parks			1821.44	0.00	-1821.44	0.00	0.00	0.00	746.79	0.00	-746.79										746.79	0.00	-746.79
36	Bundled power solar			15.64	0.00	-15.64	0.00	0.00	0.00	16.69	0.00	-16.69										16.69	0.00	-16.69
37	JNNSM PH-1 SOLAR	39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										0.00	0.00	0.00
38	JNNSM PH-2 SOLAR	1250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										0.00	0.00	0.00
	<b>Total NCE</b>	<b>7804</b>	<b>109.03</b>	<b>5147.59</b>	<b>126.77</b>	<b>-5020.82</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2344.16</b>	<b>84.22</b>	<b>-2259.94</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>2344.16</b>	<b>84.22</b>	<b>-2259.94</b>

SL.No	Name of the Thermal Station	Plant Capacity (MW)	Discom share(%) 23.34%	Energy MU			Fixed (A)			Variable (B)			Incentive ©			Income Tax (D)			Others (E)			Total F=(A+B+C+D+E)		
				TO (a)	Actual(b)	Variance (c) = (b-a)	TO (d)	Actual(e)	Variance (f) = (e-d)	TO (g)	Actual(h)	Variance (i) = (h-g)	TO (j)	Actual(k)	Variance l = (k-j)	TO (m)	Actual(n)	Variance (o) = (n-m)	TO (p)	Actual(q)	Variance (r) = (q-p)	TO (s)	Actual(t)	Variance (u) = (t-s)
39	KSK Mahanadi			668.16	219.56	-448.59	100.22	36.39	-63.84	185.08	60.32	-124.76										285.30	96.70	-188.60
40	Godavari Gas	216	50.41	190.93	145.09	-45.84	15.08	5.82	-9.26	42.00	33.62	-8.39										57.09	39.44	-17.65
41	Thermal Powertech Corporation India	1240	53.80	385.19	378.45	-6.73	63.55	65.67	2.12	86.67	144.11	57.44										150.22	209.78	59.56
42	SDSTPS (APPDCL)	1600	336.10	2989.30	1584.90	-1404.40	587.11	307.14	-279.97	938.64	497.66	-440.98										1525.75	804.80	-720.95
43	APGPCL I- Allocated capacity			4.97	8.65	3.68	1.03	1.80	0.77	1.20	2.08	0.88										2.23	3.88	1.65
44	APGPCL II- Allocated capacity			15.85	23.13	7.27	1.03	1.45	0.42	3.41	5.46	2.05										4.44	6.91	2.47
	Total Others			<b>4254.40</b>	<b>2359.79</b>	<b>-1894.61</b>	<b>768.03</b>	<b>418.27</b>	<b>-349.76</b>	<b>1257.00</b>	<b>743.24</b>	<b>-513.76</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2025.03</b>	<b>1161.51</b>	<b>-863.52</b>
	Total Dispatch			<b>16039.34</b>	<b>8113.13</b>	<b>-7926.21</b>	<b>1841.75</b>	<b>1474.78</b>	<b>-366.97</b>	<b>5495.01</b>	<b>2319.74</b>	<b>-3175.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7336.76</b>	<b>3794.52</b>	<b>-3542.24</b>
45	JNNM PH-II THERMAL	500		1033.19	419.12	-614.07	174.61	0.00	-174.61	314.09	183.02	-131.07										488.70	183.02	-305.68
46	SCAD					0.00		-3.85	-3.85			0.00										0.00	-3.85	-3.85
47	Spectrum Power				93.86	93.86			0.00		24.64	24.64										0.00	24.64	24.64
48	Lanco Kondapalli				225.38	225.38			0.00		63.29	63.29										0.00	63.29	63.29
49	Hinduja National Power Corp Ltd(HNPCL)				248.38	248.38			0.00		94.88	94.88										0.00	94.88	94.88
50	APPDCL Diff FC and FCA Claims FY20-21					0.00			0.00		-2.11	-2.11										0.00	-2.11	-2.11
51	AP Genco recovery					0.00			0.00		-10.08	-10.08										0.00	-10.08	-10.08
52	AP Genco FCA Claims					0.00			0.00		-24.39	-24.39										0.00	-24.39	-24.39
53	Adjustments 2019-20				121.52	121.52			0.00		148.04	148.04										0.00	148.04	148.04
54	UI charges				-0.94	-0.94		11.68	11.68		0.00	0.00										0.00	11.68	11.68
55	Short Term Purchases (Exchanges)#				2086.15	2086.15	0.00		0.00		753.59	753.59										0.00	753.59	753.59
56	Sale to EPDCL from SPDCL			-1304.64	2914.26	4218.90	0.00		0.00	-614.49	1313.41	1927.90										-614.49	1313.41	1927.90
	TOTAL POWER PURCHASE			<b>15767.88</b>	<b>14220.85</b>	<b>-1547.03</b>	<b>2016.35</b>	<b>1482.61</b>	<b>-533.74</b>	<b>5194.62</b>	<b>4864.03</b>	<b>-330.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7210.97</b>	<b>6346.64</b>	<b>-864.33</b>



## ANNEXURE - 10

### Approved ARR, MYT Order for 3rd Control Period- DISTRIBUTION COST computations after inclusion of KURNOOL and ANANTAPUR in APSPDCL

<b>APSPDCL's ARR</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Return on Capital	263.81	273.79	265.47	257.07	258.16	<b>1318.30</b>
O&M Expenses	1170.91	1309.62	1466.40	1644.14	1850.21	<b>7441.28</b>
Depreciation	438.02	573.59	626.52	676.40	737.61	<b>3052.14</b>
Taxes on Income	24.38	25.30	24.53	23.75	23.85	<b>121.81</b>
Special Apprn. For Safety measures	5.00	5.00	5.00	5.00	5.00	<b>25.00</b>
Other Expenditure	0.25	0.28	0.25	0.31	0.24	<b>1.33</b>
<b>Less :</b>						
O&M Expenses Capitalised	49.20	46.61	51.12	63.12	73.04	<b>283.09</b>
True up adj. of 1st Control Period	525.62					<b>525.62</b>
Non Tariff Income	83.80	374.36	400.78	429.12	462.73	<b>1750.79</b>
<b>Net ARR</b>	<b>1243.75</b>	<b>1766.61</b>	<b>1936.27</b>	<b>2114.43</b>	<b>2339.30</b>	<b>9400.36</b>

<b>APCPDCL's ARR</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Return on Capital	270.32	312.09	341.69	359.72	390.62	<b>1674.44</b>
O&M Expenses	1413.51	1644.28	1887.34	2178.52	2510.32	<b>9633.97</b>
Depreciation	526.96	688.47	785.12	875.56	972.52	<b>3848.63</b>
Taxes on Income	24.98	28.84	31.57	33.24	36.09	<b>154.72</b>
Special Apprn. For Safety measures	5.00	5.00	5.00	5.00	5.00	<b>25.00</b>
Other Expenditure	0.48	0.51	0.53	0.56	0.59	<b>2.67</b>
<b>Less :</b>						
O&M Expenses Capitalised	82.64	93.12	84.00	94.56	107.36	<b>461.68</b>
True up adj. of 1st Control Period	360.94					<b>360.94</b>
Non Tariff Income	161.97	370.38	406.30	444.96	481.91	<b>1865.52</b>
<b>Net ARR</b>	<b>1635.70</b>	<b>2215.69</b>	<b>2560.95</b>	<b>2913.08</b>	<b>3325.87</b>	<b>12651.29</b>

<b>APCPDCL's 17.45% share w.r.t ATP&amp;KNL</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Return on Capital	39.31	54.46	59.62	62.77	68.16	<b>284.33</b>
O&M Expenses	205.55	286.93	329.34	380.15	438.05	<b>1640.02</b>
Depreciation	76.63	120.14	137.00	152.79	169.70	<b>656.26</b>
Taxes on Income	3.63	5.03	5.51	5.80	6.30	<b>26.27</b>
Special Apprn. For Safety measures	0.73	0.87	0.87	0.87	0.87	<b>4.22</b>
Other Expenditure	0.07	0.09	0.09	0.10	0.10	<b>0.45</b>
<b>Less :</b>						
O&M Expenses Capitalised	12.02	16.25	14.66	16.50	18.73	<b>78.16</b>
True up adj. of 1st Control Period	52.49					<b>52.49</b>
Non Tariff Income	23.55	64.63	70.90	77.65	84.09	<b>320.82</b>
<b>Net ARR</b>	<b>237.86</b>	<b>386.64</b>	<b>446.89</b>	<b>508.33</b>	<b>580.36</b>	<b>2160.08</b>

<b>APSPDCL's ARR including ATP&amp;KNL</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Return on Capital	303.12	328.25	325.09	319.84	326.32	<b>1602.63</b>
O&M Expenses	1376.46	1596.55	1795.74	2024.29	2288.26	<b>9081.30</b>
Depreciation	514.65	693.73	763.52	829.19	907.31	<b>3708.40</b>
Taxes on Income	28.01	30.33	30.04	29.55	30.15	<b>148.08</b>
Special Apprn. For Safety measures	5.73	5.87	5.87	5.87	5.87	<b>29.22</b>
Other Expenditure	0.32	0.37	0.34	0.41	0.34	<b>1.78</b>
<b>Less :</b>						
O&M Expenses Capitalised	61.22	62.86	65.78	79.62	91.77	<b>361.25</b>
True up adj. of 1st Control Period	578.11					<b>578.11</b>
Non Tariff Income	107.35	438.99	471.68	506.77	546.82	<b>2071.61</b>
<b>Net ARR</b>	<b>1481.61</b>	<b>2153.25</b>	<b>2383.15</b>	<b>2622.76</b>	<b>2919.66</b>	<b>11560.44</b>

## ANNEXURE 11

### LIST OF OBJECTORS

Objectors who gave written objections/Suggestions	
Sl.No	Name
1	M Venugopal Rao
2	S.Suryaprakasa rao
3	Ch.Babu Rao, CPI
4	Ch.Narasinga Rao, CPI
5	East Coast Paints Ltd
6	Hemadri Cements Ltd
7	Jayansree Pharma
8	Lokesh Aqua Products P Ltd
9	Pramod Paints LLP
10	Sainor Life Sciences
11	A.Radha Krishna Chowdary, Kushalava
12	Ameya Batteries
13	Harsha liners Pvt Ltd.,
14	Hyundai Kushalava
15	Indian Tobbacco Assn
16	Kandharapu Murali
17	M.Rama Rao, Kushalava
18	Sree Balaji Brick Inds
19	Bliss Hotels Ltd.,
20	Bhaskar Rao Potluri
21	Fortune Select Grande
22	Sri Balaje Residency
23	C Ravindra Kumar
24	AG Rajamohan
25	Lingamaneni Estates
26	Mondelez India
27	FAPCCI
28	Synergies Castings Ltd
29	P Ravikumar / Mini Hotels
30	M Upendra Rao - AP Chambers
31	Sricharan
32	Prakasa Spectrocast
33	Andhra Pradesh Textile Mills Association
34	The India Cements Limited
35	Rain Cements Limited
36	Sourth Indian Cement Manufacturers Association
37	Andhra Pradesh Ferro Alloys Producers Association

Objectors who gave written objections/Suggestions	
Sl.No	Name
38	Arcelor Mittal Nippon Steel India Limited
39	TGV Sraac Limited
40	Kusalava International Ltd - VJA3068
41	Kusalava International Ltd - VSP646 -
42	Kusalava International Ltd - VJA093
43	Kusalava International Ltd - VJA505
44	Kusalava Finance Limited - VJA806
45	Arcelor Mittal Nippon Steel India Limited
46	Vizag Chamber of Commerce
47	Hotel Nagavali - Distrn True Up
48	K.M.Rashid Khan
49	T Vinod Kumar
50	T Satyam
51	President, A.P Hotels Association
52	P.Vivekananda
53	M.Basawa Punnaiah
54	APSHWRMA
55	BSN Estates
56	Sunita Mehta Jain
57	Masineni Hotels Pvt Ltd.,
58	Ramasudhakar
59	Sree Jayajothi Cements Privae Limited
60	Nalluri Raghava rao
61	Kameswari Hotels (P) Ltd,
62	Better castings
63	Fortune Murali park same as Kandhali Hotels
64	Khandari Hotels
65	M convention
66	M Hotel
67	M5 Hotel
68	Metro politan hotel
69	Prakasa Spectrocast
70	VZM chamber of commerce
71	Brakes India Pvt. Ltd.,
72	Mohan Spintax pvt ltd.
73	APPCCIF
74	Adhishakthi smelters pvt ltd.,
75	Ravali Spinners pvt ltd
76	M. Thimma Reddy
77	My home Industries Private Limited

<b>Objectors/Officials/Public who participated during hearing held on 19-10-2021</b>	
<b>S.No</b>	<b>Name</b>
1	AP Ferro Alloys
2	Advocate Rajesh Raktate
3	Advocate Sricharan
4	AGM
5	Alladi Ravider
6	Ananny Ghosh
7	APCPDCL Telecom
8	APEPDCL RAC VSP
9	B. Sudarsanam
10	Bhaskar Rao Polluri
11	Baburao Chigurupati
12	Bhaskar Vemula
13	Bujji Babu Madala
14	Chowdary Arekapudi
15	CMD, APCPDCL
16	CPIM, AP
17	Dayanand Edara
18	EE-IPC, APGDDCL
19	Gopinath I
20	Gouri Prasad
21	Gunaranjan Challa
22	Harmory Foods Pvt Ltd
23	Jaganndh
24	Joint MD
25	KV Satyanarayana
26	K. Srinivas
27	KCP Cement
28	Kotirao Peravali
29	Krishna Murthy
30	Kumara Swamy K
31	Lakshmi Devi Kancham
32	Lokesh Pai
33	Madhavareddy Bhimireddy
34	Midhun Ogirala
35	Murthy N
36	Nagarjuna Gopi D
37	Narsimha Rao PV
38	Narayana

<b>Objectors/Officials/Public who participated during hearing held on 19-10-2021</b>	
<b>S.No</b>	<b>Name</b>
39	Nivedita Saxena
40	P. Vydehi FAPCCI
41	Phanindra Kumari
42	Prakasa Spectro
43	Pramod Kumar
44	RAC, CPDCL
45	RAC Wing
46	Rahul M
47	Raja Sekhar B
48	Rajanikanth Reddy
49	Rajesh Gutta
50	Rajesh Kumar
51	Rajesh Dasapthi
52	Rajmohan AG
53	Sai Babu Yella
54	Sailendra, IWPA
55	Sammireddy (Penna Cement)
56	Sangeetha Kotipalli
57	Satish Shrikhande
58	Shanmuga M
59	Shiva Rao P
60	Shivkumar
61	Shreekant Vijay Dhuri
62	Shri Govindaraja T
63	Siva Gangadhara
64	Snrkr Taxtiles
65	Sreenivasulu Jana
66	Sridhar G
67	Srilatha Alajangi
68	Srinath PV
69	Srinivasa Cotton & oil
70	Srinivasulu K
71	Sriram Joshi
72	Sudhir Mulagada
73	Suryanarayana Rao
74	T. Vinod Babu
75	V. Gangadhara
76	Vamsi V
77	Venkatrama Reddy
78	Vennela Balaji

<b>Objectors/Officials/Public who participated during hearing held on 19-10-2021</b>	
<b>S.No</b>	<b>Name</b>
79	Venugopala Rao
80	Vijay Reddy
81	Vivek Chandra P

<b>Objectors/Officials/Public who participated during hearing held on 01-11-2021</b>	
<b>S.No</b>	<b>Name</b>
1	AP Ferro Alloys Prod.
2	Adv Rajesh Raktate
3	Advocate Sricharan
4	Anannya Ghosh
5	APCPDCL Corporate Office
6	APSPDCL
7	APSPDCL co tpt
8	Gopinath Injeti
9	Gunaranjan Challa
10	Kotirao Peravali
11	Lakshana Viravalli
12	Manukonda Upendra Rao
13	Murali Krishna Ponnakanti
14	Nethan Reddy
15	Nivedita Saxena
16	Pattabhi Raghu Raman
17	RAC AP
18	RAC-APEPDCL
19	Rahul M
20	Rajanikanth Reddy
21	Rajkumar Geddam
22	Ravi Alladi
23	Satish Shrikhande
24	Shiva Rao P
25	Shivkumar
26	Shreekant Vijay Dhuri
27	Srilatha Alajangi
28	Srinivasu
29	Srinivasa Cotton & Oil
30	Venugopala Rao
31	Vivek Chandra P
32	Yoganand Paluru



## ANNEXURE-12

### APERC PUBLIC NOTICE ON DISTRIBUTION BUSINESS TRUE UP FOR 3RD CP



#### ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

#11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Khairatabad  
Hyderabad 500 004 Phones: 23397 - 381, 399, 556, 656 Fax: 2339 7378

O.P. No.34 of 2020

#### PUBLIC NOTICE

In the matter of determination of the True up for distribution business, for 3rd control period (FY 2014-15 to FY 2018-19) in accordance with the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation No. 4 of 2005

TAKE NOTICE that the petition filed in the above matter is taken on the file of the Commission. [The petition is placed on the website](#) of the Commission for reference of all the stakeholders.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [commn-secy@aperc.in](mailto:commn-secy@aperc.in) and copies of the same may be sent to the petitioner.

3. TAKE FURTHER NOTICE that the subject matter of the petition will be taken up for public hearing on **21-10-2020** at 11.00 AM through web hearing or in the Court Hall of the Commission at Hyderabad and any interested person / organization desirous of being heard in person, may appear before the Commission on the said date of public hearing.

Commission Secretary<sub>(i/c)</sub>

Place: Hyderabad  
Date: 04-09-2020



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

#11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Khairatabad  
Hyderabad 500 004 Phones: 23397 - 381, 399, 556, 656 Fax: 2339 7378

**PUBLIC NOTICE**

O.P. No. 41 of 2020

In the matter of Determination of the True up for distribution business for  
3rd control period (FY 2014-15 to FY 2018-19)

TAKE NOTICE that the petition filed in the above matter is taken on the file of the Commission. The [petition is placed on the website](#) of the Commission for reference of all the stakeholders.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [commn-secy@aperc.in](mailto:commn-secy@aperc.in) and copies of the same may be sent to the petitioner.

3. TAKE FURTHER NOTICE that the subject matter of the petition will be taken up for public hearing on **04-11-2020** at 11.00 AM through web hearing and any interested person / organization desirous of being heard in person, may appear before the Commission on the said date of public hearing.

Place: Hyderabad  
Date: 28-09-2020.

  
**Commission Secretary<sub>(ilc)</sub>**





# ANNEXURE-14

## APTRANSCO Paper Notification

**ఆంధ్రప్రదేశ్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్**  
# 11-4-660, 4వ అంశం, సింగరేణి భవన్, రెడ్ హిల్స్, ఖైరతాబాద్, హైదరాబాద్ - 500 004. ఫోన్: 23397 381, 399, 556, 656, ఫ్యాక్స్ నం. : 23397378

**3వ కంట్రోల్ పీరియడ్ (FY 2014-15 to 2018-19) కొరకు**  
**ట్రాన్స్మిషన్ బిజినెస్ ట్రూ-అప్ పిటిషన్ విషయంలో**  
**బహిరంగ ప్రకటన**

3వ కంట్రోల్ పీరియడ్ (FY 2014-15 to FY 2018-19) కొరకు తమ ట్రాన్స్మిషన్ బిజినెస్ ట్రూ-అప్ కోసం ట్రాన్స్మిషన్ కార్పొరేషన్ ఆఫ్ ఆంధ్రప్రదేశ్ లిమిటెడ్ దాఖలు చేయబడిన దిగువ తెలిపిన పిటిషన్ వారి కోర్ట్ హాల్, హైదరాబాద్ నుండి వీడియో కాన్ఫరెన్స్ (లింక్: <https://meet.google.com/azk-rncy-kbb>) ద్వారా 24.11.2021న కమిషన్ సమక్షంలో విచారణ కొరకు చేపట్టబడునని ఈ నోటీసు ద్వారా తెలియచేయడమైనది.

కేస్ నం.	లైసెన్సీ	దిగువ వాటి (ట్రూ-అప్)	మొత్తం (రూ. కోట్లలో)
O.P.No.46 of 2020	APTRANSCO	ట్రాన్స్మిషన్ బిజినెస్	528.71

పిటిషన్ ను కమిషన్ వెబ్ సైట్ <https://www.aperc.gov.in> ➤ Hearings ➤ Public Hearings నుండి పొందవచ్చును.

2. పైన తెలిపిన పిటిషన్ ను సంబంధించి ఎవరైనా ఆసక్తిగల వ్యక్తి / స్టేక్ హోల్డర్ యొక్క ఉద్దేశాలు/అభ్యంతరాలు/నూతనలు కమిషన్ కోరుతోంది. ఉద్దేశాలు/అభ్యంతరాలు/నూతనలను సెక్రటరీ, APERC వారికి పైన తెలిపిన చిరునామాలో బహిరంగ విచారణ తేదీన లేదా అంతకంటే ముందుగా లేదా ఇ-మెయిల్ ద్వారా [commn-secy@aperc.in](mailto:commn-secy@aperc.in) కు పంపవలెను మరియు వాటి కాపీలను పిటిషనర్ కు పంపవలెను.

3. విచారణకు హాజరు కాదలచిన ఆసక్తిగల వ్యక్తులు / అసోసియేషన్లు / స్టేక్ హోల్డర్స్ / అక్షేపదార్లు అందరూ స్వయంగా కానీ / అధికృత ప్రతినిధుల ద్వారా కానీ సేద్య విచారణ తేదీన వీడియో కాన్ఫరెన్స్ ద్వారా కమిషన్ సమక్షంలో హాజరు కావచ్చును మరియు పైన తెలిపిన పిటిషన్ ను సంబంధించి తమ ఉద్దేశాలు / అభ్యంతరాలు / నూతనలను దాఖలు చేయవచ్చును.

సం/-

తేది : 28.10.2021 కమిషన్ సెక్రటరీ (i/c)

DIPR RO No. 442PP/CL/ADVT/1/1/2021-22, Dt. : 26.10.2021

**సాక్షి** Thu, 28 October 2021  
<https://epaper.sakshi.com/c/63999751>

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
# 11-4-660, 4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Khairatabad, HYDERABAD-500004. Phones: 23397 381, 399, 556, 656 Fax No.23397378

**In the matter of Transmission Business True-up petition for the 3<sup>rd</sup> Control Period (FY 2014-15 to 2018-19)**  
**PUBLIC NOTICE**

**TAKE NOTICE THAT** the following petition filed by Transmission Corporation of Andhra Pradesh Ltd for true-up of its Transmission Businesses for 3<sup>rd</sup> Control Period for (FY 2014-15 to FY 2018-19) will be taken up for hearing before the Commission on 24-11-2021 through video conference (Link: <https://meet.google.com/azk-rncy-kbb>) from its Court Hall, Hyderabad.

Case No.	Licensee	True-up of	Amt. (Rs. Cr)
O.P.No.46 of 2020	APTRANSCO	Transmission Businesses	528.71

The petitions can be accessed from the Commission's website at <https://www.aperc.gov.in> ➤ Hearings ➤ Public Hearings.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [commn-secy@aperc.in](mailto:commn-secy@aperc.in) and copies of the same may be sent to the petitioner.

3. All the interested persons / associations / stakeholders / objectors who want to be heard in person / through authorised representatives may also appear before the Commission through video conference on the said date of hearing and submit their views / objections / suggestions in respect of the above mentioned petitions.

Sd/-  
Commission Secretary (i/c)

Hyderabad, Date: 28-10-2021  
DIPR 442PP/CL, Dt 26-10-2021

## ANNEXURE-15

### APERC public notice on Transmission business true up for 3rd CP



#### ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

#11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Khairatabad  
Hyderabad 500 004 Phones: 23397 - 381, 399, 556, 656 Fax: 2339 7378

#### PUBLIC NOTICE

O.P. No. 46 of 2020

In the matter of Determination of the True up for Transmission business  
for 3rd control period (FY 2014-15 to FY 2018-19)

TAKE NOTICE that the petition filed in the above matter is taken on the file of the Commission. [The petition is placed on the website of the Commission](#) for reference of all the stakeholders.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition. Views / objections / suggestions may be sent to the Secretary, APERC on or before the date of public hearing at the above mentioned address or through email to [commn-secy@aperc.in](mailto:commn-secy@aperc.in) and copies of the same may be sent to the petitioner.

3. TAKE FURTHER NOTICE that the subject matter of the petition will be taken up for public hearing on **23-12-2020** at 11.00 AM through web hearing and any interested person / organization desirous of being heard in person, may appear before the Commission on the said date of public hearing.

Place: Hyderabad  
Date: 20.11.2020

  
Commission Secretary<sub>(i/c)</sub>

## ANNEXURE - 16

### Computations of APTRANSCO - True up of Transmission business for 3rd CP (Rs. Crs.)

Sl.No	Items	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	<b>Assets (1.1 + 1.2)</b>	<b>5557.76</b>	<b>6681.70</b>	<b>8733.73</b>	<b>10552.04</b>	<b>12732.13</b>	<b>44257.36</b>
1.1	Original Cost of Fixed Assets (OCFA)	4971.19	5557.76	6681.70	8733.73	10552.04	36496.42
1.2	Additions to OCFA	586.57	1123.94	2052.03	1818.31	2180.09	7760.94
2	<b>Depreciation (2.1 + 2.2)</b>	<b>2519.00</b>	<b>2792.54</b>	<b>3128.19</b>	<b>3646.89</b>	<b>4260.91</b>	<b>16347.53</b>
2.1	Opening Balance	2233.03	2519.00	2792.54	3128.19	3646.89	14319.65
2.2	Depreciation during the year	285.97	273.54	335.65	518.70	614.02	2027.88
3	<b>Consumer Contribution (3.1 + 3.2)</b>	<b>740.54</b>	<b>876.37</b>	<b>1203.37</b>	<b>910.72</b>	<b>1107.97</b>	<b>4838.97</b>
3.1	Opening Balance	738.86	740.54	876.37	703.77	910.72	3970.26
3.2	Additions during the year	1.68	135.83	327.00	206.95	197.25	868.71
4	<b>Working Capital (4.1 + 4.2)</b>	<b>74.95</b>	<b>47.51</b>	<b>55.58</b>	<b>65.63</b>	<b>83.43</b>	<b>327.09</b>
4.1	O&M (45 days Net O&M Expenses)	74.95	47.51	55.58	65.63	83.43	327.09
4.2	O&M Stores Inventory						0.00
5	<b>Change in Rate Base (1.2-2.2-3.2)/2</b>	<b>149.46</b>	<b>357.29</b>	<b>694.69</b>	<b>546.33</b>	<b>684.41</b>	<b>2432.18</b>
6	<b>Regulated Rate Base (1.1-2.1-3.1+4+5)</b>	<b>2223.71</b>	<b>2703.02</b>	<b>3763.06</b>	<b>5513.73</b>	<b>6762.27</b>	<b>20965.79</b>
7	<b>Capital Structure</b>						
7.1	Debt @ 75%	75%	75%	75%	75%	75%	
7.2	Equity @ 25%	25%	25%	25%	25%	25%	
8	<b>Cost of Funds (percent)</b>						
8.1	Cost of Debt (percent)	14.20%	10.59%	11.03%	9.98%	8.62%	
8.2	Return on Equity(percent)	14%	14%	14%	14%	14%	
9	<b>WACC (7.1x8.1)+(7.2x8.2)</b>	<b>14.15%</b>	<b>11.44%</b>	<b>11.77%</b>	<b>10.99%</b>	<b>9.97%</b>	
10	<b>Return on capital Employed (6 x 9)</b>	<b>314.65</b>	<b>309.29</b>	<b>443.01</b>	<b>605.68</b>	<b>673.86</b>	<b>2346.49</b>
11	<b>Expenditure (11.1 to 11.7)</b>	<b>1041.31</b>	<b>787.02</b>	<b>929.68</b>	<b>1156.72</b>	<b>1376.93</b>	<b>5291.66</b>
11.1	Gross O&M Costs	696.92	483.13	557.73	602.10	768.10	3107.98
11.2	O&M Carrying Costs	0.00	0.00	0.00	0.00	0.00	0.00
11.3	Depreciation	286.14	273.54	335.65	518.70	604.29	2018.32
11.4	Taxes incl. MAT	36.99	28.58	33.47	35.92	4.54	139.50
11.5	Special Appropriation	0.00	0	0	0	0	0.00
11.6	Other Expenditure	21.26	1.77	2.83	0.00	0.00	25.86
11.7	Terminal Benefits	0	0	0	0	0	0.00
12	<b>Expenses Capitalized (12.1 + 12.2)</b>	<b>89.01</b>	<b>97.75</b>	<b>106.94</b>	<b>69.78</b>	<b>91.42</b>	<b>454.90</b>
12.1	IDC Capitalized						
12.2	O&M Expenses Capitalized	89.01	97.75	106.94	69.78	91.42	454.90
13	<b>Net Expenditure (11-12)</b>	<b>952.31</b>	<b>689.27</b>	<b>822.73</b>	<b>1086.94</b>	<b>1285.51</b>	<b>4836.76</b>

14	<b>Aggregate Revenue Requirement (ARR) (10+13)</b>	<b>1266.96</b>	<b>998.56</b>	<b>1265.74</b>	<b>1692.63</b>	<b>1959.37</b>	<b>7183.25</b>
15	<b>Total Revenue (15.1 + 15.2 + 15.3)</b>	<b>1113.69</b>	<b>1195.08</b>	<b>1140.60</b>	<b>1482.68</b>	<b>1722.50</b>	<b>6654.55</b>
15.1	Non Tariff Income	71.63	123.26	166.18	102.60	201.36	665.03
15.2	Revenue from Tariff	1042.06	800.48	974.42	1380.08	1521.14	5718.18
15.3	True Down as per APERC Order Dt:07.11.2015		271.34				271.34
16	<b>Net Revenue Gap (15-14)</b>	-153.27	196.52	-125.14	-209.95	-236.87	-528.71



## ANNEXURE - 17

### Computations of the Commission- True up of Transmission business (APTRANSCO) for 3rd CP (Rs. Crs.)

Sl. No	Items	2014-15	2015-16	2016-17	2017-18	2018-19	Total
1	<b>Assets (1.1 + 1.2)</b>	<b>5557.76</b>	<b>6681.70</b>	<b>8733.73</b>	<b>10552.04</b>	<b>12732.13</b>	<b>44257.36</b>
1.1	Original Cost of Fixed Assets (OCFA)	4971.19	5557.76	6681.70	8733.73	10552.04	36496.42
1.2	Additions to OCFA	586.57	1123.94	2052.03	1818.31	2180.09	7760.94
2	<b>Depreciation (2.1 + 2.2)</b>	<b>2519.00</b>	<b>2792.54</b>	<b>3128.19</b>	<b>3646.89</b>	<b>4260.91</b>	<b>16347.53</b>
2.1	Opening Balance	2233.03	2519.00	2792.54	3128.19	3646.89	14319.65
2.2	Depreciation during the year	285.97	273.54	335.65	518.70	614.02	2027.88
3	<b>Consumer Contribution (3.1 + 3.2)</b>	<b>740.54</b>	<b>876.37</b>	<b>1203.37</b>	<b>910.72</b>	<b>1107.97</b>	<b>4838.97</b>
3.1	Opening Balance	738.86	740.54	876.37	703.77	910.72	3970.26
3.2	Additions during the year	1.68	135.83	327.00	206.95	197.25	868.71
4	<b>Working Capital (4.1 + 4.2)</b>	<b>74.95</b>	<b>47.51</b>	<b>55.58</b>	<b>65.63</b>	<b>83.43</b>	<b>327.09</b>
4.1	O&M (45 days Net O&M Expenses)	74.95	47.51	55.58	65.63	83.43	327.09
4.2	O&M Stores Inventory						0.00
5	<b>Change in Rate Base (1.2-2.2-3.2)/2</b>	<b>149.46</b>	<b>357.29</b>	<b>694.69</b>	<b>546.33</b>	<b>684.41</b>	<b>2432.18</b>
6	<b>Regulated Rate Base (1.1-2.1-3.1+4+5)</b>	<b>2223.71</b>	<b>2703.02</b>	<b>3763.06</b>	<b>5513.73</b>	<b>6762.27</b>	<b>20965.79</b>
7	<b>Capital Structure</b>						
7.1	Debt @ 75%	75%	75%	75%	75%	75%	
7.2	Equity @ 25%	25%	25%	25%	25%	25%	
8	<b>Cost of Funds (percent)</b>						
8.1	Cost of Debt (percent)	12.00%	10.59%	11.03%	9.98%	8.62%	
8.2	Return on Equity(percent)	14%	14%	14%	14%	14%	
9	<b>WACC (7.1x8.1)+(7.2x8.2)</b>	<b>12.50%</b>	<b>11.44%</b>	<b>11.77%</b>	<b>10.99%</b>	<b>9.97%</b>	
10	<b>Return on capital Employed (6 x 9)</b>	<b>277.96</b>	<b>309.29</b>	<b>443.01</b>	<b>605.68</b>	<b>673.86</b>	<b>2309.80</b>
11	<b>Expenditure (11.1 to 11.7)</b>	<b>1041.31</b>	<b>787.02</b>	<b>929.68</b>	<b>1156.72</b>	<b>1376.93</b>	<b>5291.66</b>
11.1	Gross O&M Costs	696.92	483.13	557.73	602.10	768.10	3107.98
11.2	O&M Carrying Costs	0.00	0.00	0.00	0.00	0.00	0.00
11.3	Depreciation	286.14	273.54	335.65	518.70	604.29	2018.32
11.4	Taxes incl. MAT	36.99	28.58	33.47	35.92	4.54	139.50
11.5	Special Appropriation	0.00	0	0	0	0	0.00
11.6	Other Expenditure	21.26	1.77	2.83	0.00	0.00	25.86
11.7	Terminal Benefits	0	0	0	0	0	0.00
12	<b>Expenses Capitalized (12.1 + 12.2)</b>	<b>89.01</b>	<b>97.75</b>	<b>106.94</b>	<b>69.78</b>	<b>91.42</b>	<b>454.90</b>
12.1	IDC Capitalized						
12.2	O&M Expenses Capitalized	89.01	97.75	106.94	69.78	91.42	454.90
13	<b>Net Expenditure (11-12)</b>	<b>952.31</b>	<b>689.27</b>	<b>822.73</b>	<b>1086.94</b>	<b>1285.51</b>	<b>4836.76</b>
14	<b>Aggregate Revenue Requirement (ARR) (10+13)</b>	<b>1230.27</b>	<b>998.56</b>	<b>1265.74</b>	<b>1692.63</b>	<b>1959.37</b>	<b>7146.56</b>
15	<b>Total Revenue (15.1 + 15.2 + 15.3)</b>	<b>1113.69</b>	<b>1195.08</b>	<b>1140.60</b>	<b>1482.68</b>	<b>1722.50</b>	<b>6654.55</b>
15.1	Non Tariff Income	71.63	123.26	166.18	102.60	201.36	665.03

15.2	Revenue from Tariff	1042.06	800.48	974.42	1380.08	1521.14	5718.18
15.3	True Down as per APERC Order Dt:07.11.2015		271.34				271.34
16	<b>Net Revenue Gap (15-14)</b>	<b>-116.58</b>	<b>196.52</b>	<b>-125.14</b>	<b>-209.95</b>	<b>-236.87</b>	<b>-492.02</b>



