



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
HYDERABAD.**

5th Floor, Singareni Bhavan Lakdikapul Hyderabad 500004

I. A. No. 8 of 2020
in
O. P. Nos. 21 & 22 of 2017

Dated: 20.03.2020

Present

Sri. T. Sriranga Rao, Chairman
Sri. M. D. Manohar Raju, Member (Technical)
Sri. Bandaru Krishnaiah, Member (Finance)

Between:

1. Southern Power Distribution Company of Telangana Ltd.,
6-1-50, Mint Compound, Hyderabad, Telangana – 500063
2. Northern Power Distribution Company of Telangana Ltd.,
H.No. 2-5-31/2, Corporate Office, Vidyut Bhavan,
Nakkalgutta, Warangal – 506001

.... Petitioner.

AND

-Nil-

.... Respondent.

The application having stood over for consideration to this day, the Commission passed the following:

ORDER

The distribution companies of Telangana (TSDISCOMS) (applicants) being Southern Power Distribution Company of Telangana Limited and Northern Power Distribution Company of Telangana Limited have filed an application under section 94 (2) of the Electricity Act, 2003 (Act 2003) seeking extension of the application of the retail supply tariff, cross subsidy surcharge and additional surcharge determined for the year 2018-19 to be applicable to FY 2020-21 till Commission passes an order on the proposals of the TSDISCOMS.

2. The applicants have stated in the application as below:

- a) TSDISCOMs stated that retail supply tariff order dated 27.03.2018 passed on retail supply tariffs for FY 2018 – 19 and cross subsidy surcharge and additional surcharge order 27.03.2018 are being implemented in the supply areas of TSDISCOMs in accordance with the Commission's interim order in I. A. No. 3 of 2019 in O. P. Nos. 21 and 22 of 2017.
- b) As per regulation 4 of 2005 (terms and conditions for determination of tariff for wheeling and retail sale of electricity), TSDISCOMs were supposed to file aggregate revenue requirement (ARR) & tariff proposals for the FY 2020 – 21 by 30.11.2019, to make 120 days available to the Commission to determine the retail supply tariff for FY 2020 – 21 commencing from 01.04.2020.
- c) Whereas, TSDISCOMs have filed miscellaneous petition on 29.02.2020 seeking extension of for filing of ARR & tariff proposals, cross subsidy surcharge and additional surcharge for FY 2020 – 21 for retail supply business till 31.03.2020 as the finalisation of lift irrigation demand projections and rationalisation of tariffs is in progress which finalisation is very crucial in submission of for and ARR & tariff proposals for FY 2020 – 21. The licensee submits that the licensee is in the process of finalising the ARR, tariff proposals, cross subsidy surcharge and additional surcharge proposals for retail supply business to FY 2020 – 21.
- d) In the circumstances mentioned above, the tariff order on retail supply tariffs, cross subsidy surcharge and additional surcharge for the year FY 2020-21 may not come into force from 01.04.2020 due to delay in submission of ARR. Hence, the existing retail supply tariffs, cross subsidy surcharge and additional surcharge as determined in the tariff order dated 27.03.2018 is required to be continued from 01.04.2020 onwards till issuance of retail supply tariff, cross subsidy surcharge and additional surcharge orders for the financial year 2020-21.
- e) Since TSDISCOMs that is TSSPDCL and TSNPDCL have same cause of action for filing the application, hence the present application is being filed jointly.
- f) It is therefore prayed that the Commission may be pleased to pass interim orders directing to continue the existing retail supply tariffs, cross subsidy surcharge and additional surcharge as determined in the tariff order dated

27.03.2018 from 01.04.2019 until issuance of retail supply tariff, cross subsidy surcharge and additional surcharge orders for the financial year 2020-21.

3. The TSDISCOMs have addressed a letter to the Commission on 06.03.2020 requesting for necessary orders on the duly extending the application of retail supply tariff, cross subsidy surcharge, additional surcharge and wheeling charges for the financial year 2020-21.

4. The Commission examined the application filed by the TSDISCOMs. The tariff has to be continued for the present until the Commission determines fresh charges regarding retail supply, cross subsidy surcharge and additional surcharge for FY 2020-21. Therefore, the present interlocutory application is considered for passing appropriate orders. It may be appropriate to consider passing any order on an ad-interim measure subject to the final disposal of the application along with the regular petition for fresh tariff and charges by undertaking due process of law.

5. It is also relevant to state that the submissions do not state anything about subsidy to be extended by the government. However, the Commission is of the view that if the government wishes that the tariffs should be continued at the existing rates, it is for the government to extend such subsidy. Accordingly, the commission had addressed a letter dated 13.03.2020 to the government to state its views and also indicate the subsidy to be extended by it for ensuing financial year 2020-21. In the said letter, the following was informed by the Commission.

“The Commission had granted extension of time sought by the Distribution Licensees for filing their Aggregate Revenue Requirement and Retail Supply Tariff proposals along with Cross Subsidy Surcharge and Additional Surcharge proposals for FY 2020-21 from time to time lastly upto 31.03.2020.

2. The Distribution Licensees have filed Applications before the Commission seeking continuation of existing Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge w.e.f. 01.04.2020 till the issue of Tariff Order for FY 2020-21.

3. For continuation of existing Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge w.e.f. 01.04.2020, the Distribution Licensees have to be provided the required support in the form of subsidy to

bridge the revenue gap, as was extended for FY 2019-20 vide ref. (i) cited above, till the issuance of Tariff Order for FY 2020-21.

4. The communication from GoTS regarding extension of required support in the form of subsidy may be arranged by 23.03.2020 so as to enable the Commission to issue the Order on continuation of existing Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge w.e.f. 01.04.2020 till the issue of Tariff Order for FY 2020-21.”

6. In reply to the above letter, the government by its letter dated 18.03.2020 has stated as below.

“I am to invite attention to the reference cited and inform that as per the Budget Estimates 2020-21 approved by Government, the budgetary support in the form of subsidy for the FY 2020-21 to the Energy Department will be as follows:

(Rupees in Lakhs)			
S. No.	Head of Account	Scheme Name	Budget Estimates 2020-21
1	“2801-05-800-25-06-330-000”	Assistance to TSTRANSCO for Agricultural and Allied Subsidy (General)	754700.00
2	“2801-05-789-25-06-310-312”	Assistance to TSTRANSCO for Agricultural and Allied Subsidy (SCSDF)	154500.00
3	“2801-05-796-25-06-310-312”	Assistance to TSTRANSCO for Agricultural and Allied Subsidy (STSDf)	90800.00
4	“2801-05-800-25-15-310-312”	Assistance to Spinning Mills	9500.00
Total			1009500.00

7. In the circumstances, the Commission considers the request of the TSDISCOMs for continuation of the existing tariff with effect from 01.04.2020 till an order is passed by it on retail supply tariff, cross subsidy surcharge and additional surcharge for FY 2020-21.

8. Accordingly, the retail supply tariff, cross subsidy surcharge and additional surcharge as applicable on 31.03.2019 as per order dated 27.03.2018 are continued to be applicable and can be levied from 01.04.2020 pending disposal of this application finally subject to the communication of the government conveying the commitment of subsidy as stated in paragraph 6 above. The TSDISCOMs are directed to file the regular petition for determination of fresh retail supply tariff, cross subsidy surcharge and additional surcharge for FY 2020-21 immediately.

This order is corrected and signed on this the 20th day of March, 2020.

Sd/- (BANDARU KRISHNAIAH) MEMBER	Sd/- (M. D. MANOHAR RAJU) MEMBER	Sd/- (T. SRIRANGA RAO) CHAIRMAN
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