

**NORTHERN POWER DISTRIBUTION COMPANY OF
TELANGANA LIMITED,
CORPORATE OFFICE: WARANGAL**

**Additional Information on Filing of ARR & Proposed Wheeling Tariffs for
Distribution Business for 4th MYT Control Period from FY 2019-20 to FY
2023-24**

III. MYT for the 4th Control Period from FY 2019-20 to FY 2023-24

1. TSNPDCL to submit the details of voltage-wise assets in the format specified below: (Pont No.11).

Reply:-

Voltage-wise Assets from FY 2014-15 to FY 2018-19					
Particulars	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Gross Fixed Assets					
33kv	229.46	240.36	276.12	300.50	430.46
11kv	1601.68	1768.42	1977.12	2455.30	3031.07
LT	2443.83	2798.58	3167.90	3287.19	3568.94
Total	4274.97	4807.36	5421.14	6042.99	7030.47

2. Regulation 17.3 of APERC (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005 stipulates that Depreciation shall be allowed based on methodology, rates and other terms and decided by CERC from time to time. However, TSNPDCL has claimed Depreciation for 4th Control Period considering MoP rates. TSNPDCL to submit the Depreciation for each year of the 4th Control Period from FY 2019-20 to FY 2023-24 in accordance with APERC (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005 (Point No.13).

Reply:-

The licensee has proposed depreciation with MoP rates for the 4th control period under Distribution Business filing. Depreciation enables a Distribution licensee to meet his obligations for repayment of loans availed for creation of long-term assets. The depreciation rates as specified by CERC are much lesser than the MoP rates. As per the MoP and CERC depreciation rates, repayment period of long term loans for creation of long term assets will take 11 years and 25 years respectively. If the lower depreciation rates specified by CERC are taken without Advance against Depreciation (AAD) it may leave the licensee financially distressed in as much as licensee has to look elsewhere for additional financing to meet its repayment of liabilities.

In the 1st control period of distribution filing, the distribution licensees claimed depreciation at the rates specified by Central Electricity Regulatory Commission (CERC) plus advance against depreciation (AAD). In the para 252 of Tariff Order issued by the erstwhile APERC, the Hon'ble Commission has decided to allow the DISCOMS to claim depreciation at the MoP rates and disallow the AAD. Further, in the subsequent 2nd and 3rd control periods also the Hon'ble Commission allowed depreciation with the MoP rates only. Hence MoP rates are taken for 4th Control Period also.