

SR NO. 14 of 2016

**NORTHERN POWER DISTRIBUTION COMPANY
OF TELANGANA LIMITED**

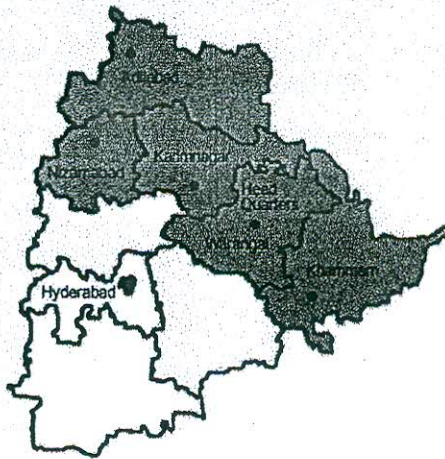
(Distribution & Retail Supply Licensee)

JSR
8/3



2 of 6

**Filing of ARR & Tariff Proposals for
Retails Supply Business for the FY 2016-17**



March 2016

BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

AT ITS OFFICE AT 5th FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD 500 004

CASE NO. _____/2016

In the matter of:

Determination of the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff for Retail Sale of Electricity for the year 2016-17 under Section 62 of the Electricity Act, 2003.

In the matter of:

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED.... Applicant

H.No: 2-5-31/2,,Corporate Office, Vidyut Bhavan,

Nakkalgutta, Hanamkonda,,Warangal-506001

Phone No : 0870 – 2461501, Fax No : 0870 - 2461519

Website: www.tsnpdcl.in

The Applicant respectfully submits as under: -

1. Consequent to the formation of Telangana State on 02-06-2014 as per the Andhra Pradesh Reorganisation Act,2014, a separate Telangana Electricity Regulation Commission constituted on 03-11-2014. TSERC vide Telangana Official Gazette has issued its first regulation, Regulation No. 1 of 2014 on 10.12.2014 (Adoption of Previously Subsisting Regulations, Decisions, Directions or Orders, Licenses and Practice of Directions) wherein clause 2 states that:

“All regulations, decisions, directions or orders, all the licences and practice directions issued by the erstwhile Andhra Pradesh Electricity Regulatory Commission (Regulatory

Commission for States of Andhra Pradesh and Telangana) as in existence as on the date of the constitution of the Telangana State Electricity Regulatory Commission and in force, shall mutatis-mutandis apply in relation to the stakeholders in electricity in the State of Telangana including the Commission and shall continue to have effect until duly altered, repealed or amended, any of Regulation by the Commission with effect from the date of notification as per Notification issued by the Government of Telangana in G.O.Ms.No.3 Energy(Budget) Department, dt.26-07-2014 constituting the Commission.”

2. This filing is made by the **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED(TSNPDCL)** under Section 64 of the Electricity Act 2003 for determination of the Aggregate Revenue Requirement (ARR) and Tariff for the Retail Supply Business for the year FY 2016-17.
3. As per Regulation No. 4 of 2005, the licensee is required to file the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff proposal for the entire control period i.e., for the period FY 2014-15 to FY 2018-19. However, the licensee had requested the Hon'ble Commission to allow it to submit the ARR for Retail Supply Business for the FY 2016-17 on yearly basis, instead for the entire control period due to the reasons as mentioned below:
 - a. **Significant uncertainty involved in projection of quantum of power to be purchased from various sources as well as in costs –**
 - **Projections of Generation Availability**

Projection of power to be purchased from TS Genco stations, CGS Stations & other stations would be difficult beyond one or two years. As seen in the past there have been deviations from the scheduled commissioning for both thermal and Hydro plants. Given the high quantum of power likely to be purchased from the plants likely to be commissioned till FY 2018-19, any deviations in the power procurement schedule from these plants will have a material impact on the

power purchase costs if projections are to be done for the entire 3rd control period.

- **Projections of Power Purchase Costs**

- The licensee would like to submit that it is facing challenges in projecting the power procurement cost for the entire 3rd control period as there has been a sharp increase in the Power procurement cost in the recent past due to the following reasons:

- ✓ Sharp fall observed in Energy dispatched from cheaper Hydel sources over the years. The hydro energy availability for FY15 is expected to be 130.01 MU as against the Tariff Order approved quantity of 4037.64 MU. It has been observed over the past few years that the actual availability from Hydel stations has been consistently lower than the value approved in the Tariff Orders issued by TSERC.
- ✓ Increase observed in the variable cost of GENCO thermal plants due to the increased consumption of imported coal because of domestic coal shortage.
- ✓ The shortfall in energy from Hydel sources FY 2015-16 was met from relatively expensive sources like Bilateral purchases.

As can be seen from the points mentioned above, there is a scope of significant variation in the power purchase costs of the licensee, if the projections of power procurement are done for the entire control period.

b. Regulatory objectives of a Multi-year tariff regime not met

- **Mechanism of Incentivization**

- ✓ One of the objectives of the multi-year tariff regime is to incentivize the performance of the licensee based on its achievement vis-à-vis the targets fixed

by the regulator. ~~In the current scenario~~, this concept is more relevant in distribution business as many of the ARR items in distribution business are deemed to be controllable and the licensee can take steps to achieve the targets fixed by the regulator thereby improving its operational performance. However in the retail supply business, the cost of power purchase is uncontrollable factor and hence not amenable to fixation of targets. Hence the regulatory objective of improving the performance of the licensee, intended to be achieved in a multi-year tariff regime is not met in case of retail supply business.

- **Tariff Certainty**

- ✓ The other key objective intended to be achieved through a multi-year tariff framework is to reduce the regulatory uncertainty for consumers stemming from methodology followed by the regulator in tariff setting. This objective is achieved in the distribution business through the wheeling tariffs set for the MYT control period which are based on the factors which are controllable by the licensee. However in retail supply business, following are the key constraints in fixing a tariff for entire control period-
 - As explained in point 1, there is high degree of uncertainty in power purchase costs and it has a significant impact on the 'Cost to serve' which forms the basis of fixation of retail tariffs.
 - In addition to 'cost of service', the retail tariffs also depend on the level of subsidy support from Government of Telangana and cross subsidy levels across consumer categories. These factors are beyond the control of the licensee.

Hence the objective of providing tariff certainty to consumers, which is well established in distribution business in the form wheeling tariffs, is unlikely to be met in retail supply business due to the uncontrollable factors mentioned above.

- **Demand Side uncertainties -**

- The licensee has made best efforts in estimating to a good degree of accuracy, the quantum of load shedding done in the previous year for consumers category-wise and factoring the impact of the same in coming up with projections for the ensuing year. However any short-fall in the load relief estimates will have an adverse impact on the licensee if sales projections are done for the entire 3rd control period.
- The policy of the Government of Telangana towards the agricultural supply hours and the likely date of commissioning of the Lift Irrigation Schemes (LI Schemes) are other parameters which would significantly alter the demand projections for the 3rd control period.
- It is also very difficult to predict with accuracy the levels of demand that will be there for power from different category of consumers especially Industrial and Commercial consumers. These are dependent on macroeconomic situations and are not easy to forecast over a 5 year period. Variations in this demand will alter sales mix and therefore make ARR substantially inaccurate if done over 5year period.

The Hon'ble Commission has been kind enough in granting permission to submit the ARR & Proposed Tariff filings in respect of the Retail Supply Business for FY 2016-17 instead of total control period of FY 2014-15 to FY 2018-19 vide proceedings No.Lr. No. TSERC/Tariff/DD(T-Engg)/T-01/2015/D.No. 751/15 Dt. 28.09.2015.

4. The licensee has given an application before the Honourable Commission sought extension of time for filing ARR for Retail Supply Business & Tariff Proposals for the year FY 2016-17. The licensee faced the following difficulties in finalizing the preparation of ARR for FY 2016-17 :
 - a) "Recently, Government of India has announced UJJWAL DISCOM ASSURANCEYOJANA (UDAY) scheme to fix a permanent solution to address existing and future losses of the

Distribution Companies in the country. Under this scheme, state government can take 75% of total loans outstanding on the books of Discoms in a period of 2-3 years by issuing bonds to the lender. In addition, certain incentives have been announced to Discoms such as additional power from central generating stations, higher coal allocation and more funds through IPDS and DDUGY schemes. This scheme will have a significant impact on the Discoms. The Discoms needed time for examining the impact of UDAY scheme on the Retail ARR of FY 2016-17." The Honourable TSERC have been kind enough for issuing orders giving permission to the licensee to file ARR & Tariff proposals in February 2016 vide its Proceedings Lr.No.S/R.O/1/2A-3 Dated 27.01.2016. The licensee also has sought additional time for filing of the ARR by 8th March.

5. The licensee has adopted the following methodology to arrive at the ARR for retail supply business.

- **Distribution Cost:** The licensee has considered the figures as per the Distribution Tariff Order dated 27th March, 2015 issued by TSERC for the period from FY 2014-15 to FY 2018-19.
- **Transmission Cost:** The licensee has considered the approved transmission cost as per the Transmission Tariff Order dated 9th May 2014.
- **SLDC Cost:** The licensee has considered the approved figures as per the SLDC Annual Fee and Operating Charges order dated 9th May 2014.
- **PGCIL and ULDC Costs:** PGCIL and ULDC costs have been projected for FY 2015-16H2 and FY 2016-17 based on the H1 actuals of FY 2015-16.
- **Distribution losses:** The Licensee has considered the Distribution Losses as approved by TSERC for the period from FY 2014-15 to FY 2018-19 in its tariff Order dated 27th Mar, 2015.
- **Transmission losses:** The licensee has considered the approved loss figures as per the Transmission Tariff Order dated 09th May 2014.
- **PGCIL Losses:** The external losses (PGCIL) are estimated to be at 3.44%

6. The Petitioner (Distribution Licensee) submits that as per the APERC Regulation 1 of 2014, TS DISCOMS have to file for power purchase cost deviation of last two years. The licensee has computed the revenue gap for FY14-15 and FY 15-16, but not considered for computing ARR for the FY 2016-17 due to in-principle approval by GoTS to UDAY scheme floated by GoI. As per UDAY scheme, GoTS will take over 75% of DISCOM debt as on 30 September 2015 -25% in 2015-16 and 25% in 2016-17 or 25% each year over the next three years. DISCOM debt not taken over by GoTS will be converted by the Banks / FIs into loans or bonds with interest rate not more than the bank's base rate plus 0.1%. Alternately, this debt may be fully or partly issued by the DISCOM as GoTS guaranteed DISCOM bonds at the prevailing market rates which shall be equal to or less than bank base rate plus 0.1%.
7. However, a clear picture on the reduction in losses of the licensee in FY 2015-16 by virtue of take-over of loans by GoTS would emerge once the UDAY scheme details are finalized. Hence the licensee would file for the true-up for 2015-16 in the next year filing (FY 2017-18) based on the actual accounts finalized after considering the takeover of loans by GoTS. The licensee prays that the Hon'ble Commission may consider the final true-ups of FY 2015-16 in the ARR filing for 2017-18.
8. Further the licensee also prays that the reduction in ARR of licensee in FT 2016-17 due to reduction in interest cost and depreciation may be passed on to GoTS in the form of reduction in subsidy as the loans of the licensee are proposed to be taken over by the GoTS.
9. In the following paragraphs, the licensee has provided a brief summary of its performance during FY 2014-15 as well as the expected performance for the current year i.e. FY 2015-16 against the tariff order and projections for FY 2016-17.

10. **Summary of the Filing**

Performance Analysis of the Licensee for the Previous Year FY 2014-15 and Current Year FY 2015-16

Performance Analysis: A brief analysis of the key elements of licensee's business is as follows:

- **Sale of Energy and loss reduction:**

Particulars	2014-15		2015-16			
	Actuals		TSERC		Estimates	
	MU	%	MU	%	MU	%
Metered Sales	6,366	49.73%	7,243	55.57%	6,947	52.74%
LT Agricultural Sales	4,738	37.01%	4,340	33.30%	4,731	35.92%
Total Sales	11,105	86.75%	11583	88.87%	11,678	88.67%
Dist. Losses (Excl: EHT Sales)	1,697	14.69%	1,451	12.58%	1,493	12.65%
EHT Sales	1,254	9.80%	1,504	11.54%	1,366	10.37%
Dist. Losses (Incl: EHT Sales)	1,697	13.25%	1,451	11.13%	1,493	11.33%
Discom Input (MU)	12,802	100%	13,033	100%	13,171	100%

In 2015-16, the metered sales are expected to increase by 581 MU over 2014-15 levels, which is 9.13% increase.

Licensee has fixed 3168 meters for LV side of the Agricultural DTRs as per the ISI methodology approved by the Hon'ble Electricity Regulatory Commission. The Agricultural consumption is being estimated as per ISI methodology from October 2013 onwards and same is being furnished to the Hon'ble Commission.

Further, the licensee is in the process of releasing around 49,520 new agricultural connections during FY 2015-16. In view of this, the licensee requests the Hon'ble Commission to revisit the level of agricultural sales.

The licensee has made best possible efforts in reducing the actual distribution losses for the FY 2015-16 to 12.65% which is lower when compared to previous year loss of 14.69%.

- **Revenue**

The table below shows a comparison of the revenue from various consumer categories as estimated and approved in the Tariff Order and as billed (FY 2014-15) and expected to be billed (FY 2015-16) by TSNPDCL.

Category Wise Revenues:(Figures shown in Rs Crores)

Consumer Categories	2014-15	2015-16	
	Actual	TSERC	Estimated Proj
L.T. Supply	1605.75	1806.97	1797.60
Domestic Supply	728.66	821.41	846.18
Non-Domestic Supply	448.65	529.31	527.81
Industrial Supply	217.93	215.54	197.48
Irrigation & Agricultural	37.21	39.08	40.56
LT Others	173.30	201.62	185.58
H.T. Supply	1572.92	1801.39	1699.84
Indl Segregated	887.88	965.06	918.89
Indl Non-Segregated	98.60	111.04	121.64
Airport, Bus stations, Rly. St	6.39	7.44	6.72
Irrigation & Agriculture	160.26	241.21	202.83
Traction	284.93	320.19	299.77
HT Others	134.86	156.45	150.00
Total	3178.67	3608.36	3497.45

Net gap during the FY 2014-15 and FY 2015-16.

Description	2014-15	(Rs. Crs.)	
		2015-16 (Approved)	2015-16 (estimate)
Power Purchase Cost	5,243.24	5,308.96	6,222.08
Distribution	1,226.76	1,203.15	1,203.15
Transmission	257.81	341.26	342.51
SLDC Charges	10.22	10.68	11.02
PGCIL Charges	164.74	104.84	272.56
ULDC Charges	2.56	6.69	2.56
Network Cost	1,662.09	1,666.93	1,831.81
Interest on Consumer Security Deposits	42.32	51.88	50.40
Supply Margin	7.54	8.14	8.99
Other Expenses	3.26	134.56	3.26
GSD & Other Costs	53.12	194.58	62.64
Aggregate Revenue Requirement (ARR)	6,958.45	7,170.48	8,116.54
Revenue	3,219.17	3,637.04	3,525.30
Subsidy for the year	2,398.81	3,533.44	3,533.44
Revenue (gap)/Surplus	(1,340.47)		(1,057.80)

Estimates for the Ensuing Year (FY 2016-17)

The licensee has adopted a modified trend approach for projecting the category-wise sales for the ensuing year. As the name suggests, the licensee has considered the historical growth trend observed in the sales of categories adjusted for load relief given during FY 2014-15 and the same has been moderated based on the other relevant inputs such as underlying economic growth drivers, number of pending applications etc. The total sales forecast for key categories is as follows:

Consumer Categories	FY 2015-16(In MU)	FY 2016-17 (In MU)
L.T. Supply	8685.21	9287.40
Domestic Supply	2800.65	3146.85
Non-Domestic Supply	567.02	628.14
Industrial Supply	258.70	266.46
Irrigation & Agricultural	4731.34	4904.75
H.T. Supply	2992.90	3968.02
Industrial	1283.96	1469.51
Non-Industrial	112.70	124.02
Total	11678.11	13255.41

Key Demand Drivers for FY 2016-17: Some of the key drivers for the increase in the demand of the licensee has been highlighted below-

- Water Grid: The licensee expects a load of 30 MW in its area. These loads have been considered as follows –
 - LT – 1 MW under LT Cat VI
 - HT - 29 MW under HT Cat IV
- Major Lift Irrigation (LI) Schemes: Based on the data provided by Irrigation Department, the licensee expects 920 MU from major LI schemes in its area for FY 2016-17.
- In line with the objective of Government of Telangana (GoTS) to provide 9 hours of supply to agricultural consumers, the licensee would be providing 9 hours of supply to agricultural consumers in 2016-17 in place of the existing 7 hours supply. However the licensee has not projected any additional sales due to increase in supply hours due to the low ground water level in the state because of poor rainfall in the current year. For

2016-17, a nominal growth of 3.66% over 2015-16 sales has been considered to account for the new agricultural services proposed to be released. However supply of 9 hours of supply to agricultural consumers is expected to have a significant increase in the peak demand and the licensee is contracting for additional power purchase to meet the peak demand.

Yearly Growth Rate

Consumer Categories	FY 2015-16/ FY 2014-15	FY 2016-17/ FY 2015-16
L.T. Supply	5.01%	6.93%
Domestic Supply	14.66%	12.36%
Non-Domestic Supply	12.81%	10.78%
Industrial Supply	-3.61%	3.00%
Irrigation & Agricultural	-0.15%	3.66%
H.T. Supply	5.60%	32.58%
Industrial	3.93%	14.45%
Non-Industrial	13.99%	10.04%
Total	5.16%	13.51%

Power Purchase Requirement for FY 2016-17:

The following are the key points considered by the licensee with regard to power purchase requirement by the licensee –

- Average PLF of 80% from TSGENCO & APGENCO (thermal) considered
- New sources of energy considered
 - TSGENCO KTHP-II: 600 MW from Feb 2016
 - Thermal Power Tech through DBFOO Long Term : 570 MW from Feb 2016
 - 1000 MW from bilateral sources considered from Jun 2016 to Mar 2017
 - 100% of SCCL Power – 600 MW Unit 1 and 600 MW Unit 2 from June and July 2016 respectively.
- 3,421 MU of Hydel energy considered for FY 16-17
- Allocation Principles
 - NCE – As per Geographical location
 - All other sources – 53.89% as per GO Ms. No. 20 of 2014
 - Upcoming state Genco plants –100% share

- Medium Term: Capacity of 215 MW from KSK Mahanadi has been considered as existing source contracted through Case-I Medium term process up to June 2016.
- The licensee has projected energy at 20% PLF from the IPPs under the stranded gas scheme of MoP.

Power Purchase Cost Estimate for the state of Telangana for FY 2016-17

- Variable costs for TSGENCO & APGENCO – Thermal and CGS – A 2% escalation over variable costs during H2 2015-16 has been assumed for TSGENCO & APGENCO – Thermal and CGS stations
- Fixed costs for existing stations have been considered as per projections furnished by the respective generating station.
- The average PP cost at state level is projected to be at Rs. 4.27 /unit for FY 2016-17. The estimated revenue gap for the licensee for FY 2016-17 is as follows:

Particulars	2016-17
Aggregate Revenue Requirement (Rs. Crs.)	8830.33
Total Revenue	4210.05
Revenue from Current Tariffs (Net of incentives) (Rs. Crs.)	4180.71
Non - Tariff Income (Rs. Crs.)	29.34
Revenue Deficit (-)/ Surplus (+) at Current Tariffs (Rs. Crs.)	4620.29
Revenue increase through proposed tariff (Rs Crs)	384.75
Net Deficit (-)/ Surplus (+) (Rs. Crs.)	4235.54

11. Tariff Proposals:

The licensee has proposed the following tariff for various consumer categories

➤ LT I Domestic

- Proposed Energy Charges:
 - Up to 50 units per month – Rs 1.45/Unit
 - >50 and <=100 Units per month
 - 0-50 Slab – Rs. 1.45/Unit
 - 51-100 Slab – Rs. 2.60/Unit
 - >100 and <=200 Units per month
 - 0-100 Slab – Rs. 3.25/Unit
 - 101-200 Slab - Rs. 4.25/Unit
 - >200 Units per month
 - 0-200 Slab – Rs. 4.80/Unit
 - 201-400 Slab –Rs. 8.15/Unit
 - >400 – Rs. 9.50/Unit

➤ **LT II Non-domestic/Commercial**

▪ **Proposed Energy Charges:**

- LT-II(A): Up to 50 units per month – Rs. 5.94/Unit
- LT-II(B): > 50 Units
 - 0-50 Slab – Rs. 7.26/Unit
 - 51-100 Slab – Rs. 8.58/Unit
 - 101-300 Slab – Rs. 9.46/Unit
 - 301-500 Slab – Rs. 10.01/Unit
 - >500 – Rs. 10.67/Unit
- LT-II(C): Advertising Hoardings – Rs. 12.87/Unit
- LT-II(D): Haircutting salons consuming less than 200 units/month
 - 0-50 Slab – Rs. 5.26/Unit
 - 51-100 Slab – Rs. 6.58/Unit
 - 101-200 Slab – Rs. 7.46/Unit

➤ **LT III Industrial**

▪ **Proposed Energy charges**

- Industries – Rs. 6.79/Unit
- Seasonal Industries – Rs. 7.53/Unit
- Pisci-culture/Prawn culture – Rs. 5.20/Unit
- Sugarcane crushing – Rs. 5.20/Unit
- Poultry farms – Rs. 3.82/Unit
- Mushroom and Rabbit farms – Rs. 6.36/Unit
- Floriculture in Green House – Rs. 6.36/Unit

➤ **LT IV Cottage Industries**

- No tariff change for this category

➤ **LT V Agriculture**

- No tariff change for this category

➤ **LT VI Street lighting and PWS**

▪ **Proposed Energy charges**

- Street Lighting
 - Panchayats – Rs. 6.27/Unit
 - Municipalities - Rs. 6.82/Unit
 - Municipal Corporations - Rs. 7.37/Unit

- PWS
 - Panchayats – Rs. 5.06/Unit
 - Municipalities - Rs. 6.27/Unit
 - Municipal Corporations - Rs. 6.82/Unit
 -

➤ **LT VII General Purpose**

- Proposed Energy Charges
 - General Purposes – Rs. 7.59/Unit
 - Religious Places – Rs. 5.50/Unit

➤ **LT VIII Temporary Supply**

- Proposed Energy Charges – Rs. 11.00/Unit

➤ **HT Categories**

Time of Day Tariffs

It is proposed to introduce an additional Time of Day (ToD) from 6 am to 10 am and an incentive from 10 pm to 6 am as a measure to reduce the morning peak and make the load curve flat. This is applicable for categories HT-I A Industry (General), HT-II Others and HT-III Airports, Bus Stations and Railway stations as given below:

Description	During the period	Proposed Tariff over the proposed Energy Charges for FY2016-17
Time of Day (ToD) Tariff	6 am to 10 am and 6 pm to 10 pm;	Rs.1/unit
Incentive	10 pm to 6 am	Rs.0.55/unit

➤ **HT I – Industrial**

- Proposed Demand Charge: Rs. 398/kVA/month
- Proposed Energy Charge

Voltage Level	Sub-Category	Proposed Energy charge (Rs. /Unit)
HT-I(A)		
11 KV	General	6.45

Voltage Level	Sub-Category	Proposed Energy charge (Rs. /Unit)
	Lights and Fans	6.45
	Industrial Colonies	6.45
	Seasonal Industries	7.85
	Poultry Forms	4.30
33 KV	General	6.02
	Lights and Fans	6.02
	Industrial Colonies	6.45
	Seasonal Industries	7.10
	Poultry Forms	3.87
132 KV	General	5.49
	Lights and Fans	5.49
	Industrial Colonies	6.45
	Seasonal Industries	6.88

➤ HT I (B) –Ferro Alloys

- No tariff change for this category

➤ HT II – Others

- Proposed Demand Charge: Rs. 407/kVA/month
- Proposed Energy Charge:
 - 11 kV :Rs. 8.03/unit
 - 33kV : Rs. 7.26/unit
 - 132 kV :Rs. 7.04/unit

➤ HT III–Airports, Railway Stations and Bus Stations

- Proposed Demand Charge: Rs. 407/kVA/month
- Proposed Energy Charge:
 - 11 kV :Rs. 7.70/unit
 - 33kV : Rs. 7.04/unit
 - 132 kV :Rs. 6.60/unit

➤ HT IV – Lift Irrigation & Agriculture (for all Voltage levels)

- Proposed Energy charges
 - HT-IV(A): Lift Irrigation & Agriculture – Rs. 6.44/Unit
 - HT-IV(B): CPWS – Rs. 5.06/Unit
 -

- **HT V – Railway Traction**
 - The license proposes to introduce sub-category in HT V(B) HMR Traction
 - Proposed Energy Charges
 - HT-V(A): Railway Traction – Rs. 7.48/Unit
 - HT-V(B): HMR Traction – Rs. 7.30/Unit

- **HT VI – Townships and Residential Colonies (for all Voltage levels)**
 - Proposed Demand Charges – Rs. 59/kVA/month
 - Proposed Energy Charges – Rs. 6.60/unit

- **HT VII – Green Power (for all Voltage levels)**
 - Proposed Energy Charges – Rs. 9.35/unit

- **HT VIII – Temporary Supply (for all Voltage levels)**
 - Proposed Demand Charges – Rs. 500/kVA/month
 - Proposed Energy Charges – Rs. 12.00/unit

- **HT – Resco – Sircilla**
 - Proposed Energy Charges – Rs. 0.99/unit

- **Determination of Cross subsidy Surcharge for FY 2016-17**

As per the Tariff Policy notified by Ministry of Power dated 28th Jan 2016, the Cross Subsidy Surcharge has to be determined based on weighted average cost of power purchase considering the requirement to fulfill Renewable Power Purchase Obligation by the licensee. In view of this, the licensee has adopted the formula for cross subsidy surcharge as per the above notified policy.

- **Determination of Additional Surcharge for FY 2016-17:** The prays that the Hon'ble Commission may consider for the additional surcharge for open access consumers i.e .,surcharge in addition to the charges for wheeling to meet the fixed cost of the licensee arising out of its obligation to supply as per section 42(4) of the Electricity Act, 2003 including the fixed cost of power purchase commitment.

Based on the information available, the Applicant has made sincere efforts to comply with the Regulation of the Hon'ble Commission and discharge its obligations to the best of its abilities. However, should any further material information become available in the near future, the Applicant reserves the right to file such additional information and consequently amend/ revise the application.

This filing has been discussed and approved by the Board of Directors of TSNPDCL and K.Venkata Narayana, Chairman and Managing Director of TSNPDCL has been authorised to execute and file the said document on behalf of TSNPDCL. Accordingly, the current filing documents are signed and verified by, and backed by the affidavit of K. Venkata Narayana, the Chairman and Managing Director of TSNPDCL.

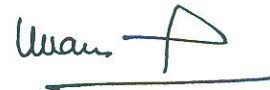
In the aforesaid facts and circumstances, the Applicant requests that this Hon'ble Commission may be pleased to:

- a. Take the accompanying ARR and Tariff application of TSNPDCL on record and treat it as complete;
- b. Grant suitable opportunity to TSNPDCL within a reasonable time frame to file additional material information that may be subsequently available;
- c. Consider and approve TSNPDCL's ARR and Tariff application including all requested regulatory treatments in the filing;
- d. Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

**NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
(APPLICANT)**

Through

Place: Warangal
Dated: 08-03-2016



**CHAIRMAN AND MANAGING DIRECTOR
Chairman & Managing Director
TSNPDCL/Warangal.**

BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION

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H.No: 2-5-31/2,,Corporate Office, VidyutBhavan,

Nakkalgutta, Hanamkonda,,Warangal-506001

Phone No : 0870 – 2461501, Fax No : 0870 - 2461519

Website: www.tsnpdcl.in

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION FILED UNDER SECTION 64 OF THE
ELCTRICITY ACT 2003 AND IN ACCORDACNE WITH THE REGULATION 4 OF 2005**

I, Sri K. Venkata Narayana, son of Sri Rama Chandraiah, working for gain at the Northern Power Distribution Company of Telangana Limited do solemnly affirm and say as follows:

- 1 I am the Chairman and Managing Director of Northern Power Distribution Company of Telangana Limited (TSNPDC). I am competent and duly authorised to affirm, swear, execute and file this affidavit in the present proceedings.

- 2 As such, I submit that I have been duly authorised by the Board of Directors of TSNPDCL to submit the application, as per Terms and Conditions of Tariff for Wheeling and Retail Sale of Electricity (Regulation 4 of 2005) of TSNPDCL for the FY 2016-17 to Hon'ble Commission.
- 3 I submit that I have read and understood the contents of the appended application of TSNPDCL. The facts stated in the application are true to the best of my knowledge, which are derived from the official records made available and certain facts stated are based on information and advice which, I believe to be true and correct.
- 4 I submit that for the reasons, and facts stated in the appended application this Applicant pray that the Hon'ble Commission may be pleased to
 - (a) Take the accompanying ARR and Tariff application of TSNPDCL on record and treat it as complete;
 - (b) Grant suitable opportunity to TSNPDCL within a reasonable time frame to file additional material information that may be subsequently available;
 - (c) Consider and approve TSNPDCL's ARR and Tariff application including all requested regulatory treatments in the filing;
 - (d) Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.



DEPONENT
Chairman & Managing Director
TSNPDCL/Warangal.

VERIFICATION:

I, the above named Deponent solemnly affirm at Hyderabad on this ^{8th}..... day of March 2016 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.



DEPONENT
Chairman & Managing Director
TSNPDCL/Warangal.

Solemnly affirmed and signed before me.



K. VENKATESHAM
COMPANY SECRETARY
T.S.N.P.D.C. Ltd.
Registered Office & Corporate Office
Vidyuth Bhavan, Hanamkonda
Warangal-506 001.