



U27320TG2003PTC041421

MS AGARWAL FOUNDRIES PRIVATE LIMITED

(AN ISO 9001-2000 CERTIFIED COMPANY)

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WORKS :

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OFFICE :

Rama Towers, 2nd Floor,
5-4-83, M.G. Road,
Secunderabad - 3.
T.S. India.

Ref.: **Ref: MSAFPL/F. CSS-2015-16/** _____ /2024 DATED **13.2.2024** Date.....

To

Commission Secretary,
Telangana State Electricity Regulatory
Commission, 5th Floor, Sengareni Bhavan,
Red Hills, Lakdi Ka pool,
Hyderabad – 500 004.



Respected Sir,

Sub: Suggestion / Objection in respect of afresh determination of
Cross Subsidy Surcharge for the Financial Year 2015-16 as per
orders of the Hon'ble Supreme Court of India – Reg.

Ref: 1. H.T. No. MDK 893.
2. Public Notice issued in news paper dated 24.1.2024.

Apropos to the cited subject and references please find hereunder the following details as desired by this Hon'ble Commission for kind consideration in respect of afresh determination of Cross Subsidy Surcharge for the Financial Year 2015-16:-

Name & full address of the Objector along with e-mail id and contact number	Brief details of Objection(s)/ Suggestion(s)	Whether the objector wants to be heard in person (Yes / No)
Sri Pramod Agarwal, MS Agarwal Foundries Pvt Ltd., No. 1. Rama Towers, 2 nd Floor, 5-4-83, TSK Chambers, M.G. Road, Secunderabad – 500 003. Email: info@msagarwal.com Cell No. 93480 53446.	Detail petition enclosed.	Yes

Please acknowledge.

Thanking you,

Encl: a.a.

Yours faithfully,
For MS Agarwal Foundries Pvt. Ltd.,

(Pramod Agarwal)

On the premises of
Telangana State Electricity Regulatory Commission

5th Floor, Singareni Bhavan, Red Hills, Lakdi Ka Pool

Hyderabad – 500 004 E mail: secy@tserc.gov.in

...

O.P. No. 76 and 77 of 2015

IN THE MATTER OF afresh determination of Cross Subsidy Surcharge for FY 2015-16 as per the direction of the Hon'ble Supreme Court in its order dated 7.11.1023 in Civil Nos. 7517-7536, 7545-7552 and 7553-7560 OF 2023 (SLP No. 14047 – 14066 of 2019).

BETWEEN:

TSSPDCL and TSNPDCL.

... Petitioners

AND

MS Agarwal Foundries Pvt Ltd.,
No. 1, Rama Towers, 2nd Floor, 5-4-83,
TSK Chambers, M.G. Road,
Secunderabad – 500 003.

Email: info@msagarwal.com

Cell No. 93480 53446 and other 50.

... Respondents

**SUGGESTIONS / OBJECTIONS FILED ON BEHALF OF MS AGARWAL
FOUNDRIES PRIVATE LIMITED, RESPONDENT NO. 1 AMONG 51
RESPONDENTS**

MAY I PLEASE YOUR HONOUR,

It is respectfully submitted that as sought by this Hon'ble Commission this Respondent No. 1 hereby submits suggestions / objections for kind consideration of this Hon'ble Commission in respect of afresh determination of Cross Subsidy Surcharge (CSS) applicable for the Financial Year 2015-16 as per orders of the Hon'ble Supreme Court of India.

It is respectfully submitted that as prescribed in Section 42 (2) of the said Act the Hon'ble State Commission conferred with the powers to introduce open access facility in phase manner subject to payment of Surcharge by the open access consumer to the extent to meet the cross subsidy of the area of such Distribution Licensee. Further, empowered to reduce the surcharge as well as cross subsidies progressively.

It is respectfully submitted that the Hon'ble Ministry of Power vide its proceeding dated 6.1.2006 prescribed the formula for determination of CSS as follows:-

Contd..2



$$S = T - [C (1+L / 100) + D]$$

Where

S is the Surcharge

T is the Tariff payable by the relevant category of consumers

C is the weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power

L is the system loss for the applicable voltage level, expressed as a percentage.

D is the wheeling charges.

The Hon'ble Commission in the present case considered provision prescribed in Tariff Policy dated 6.1.2006 to determine afresh Cross Subsidy Surcharge for FY 2015-16. A copy of page No. 18 to 20 of Tariff Policy dated 6.1.2006 are enclosed as **Annexure I (Page No. 1 – 3)**.

The calculation for category of 132 KV and 33 KV proposed by this Hon'ble Commission and the discrepancies found by this Respondent pertaining to TSSPCL are furnished hereunder for kind consideration with a request to rectify the same in the interest of justice.

132 KV CATEGORY

AS PROPOSED BY THE HON'BLE COMMISSION

$$\text{Rs. 0.94 per KVAH} = \text{Rs. 6.3079} - [\text{Rs. 5.0578 (1+4.02\% OF 5.0578 i.e. 0.2033)+0.1065}]$$

$$\text{Rs. 0.94 per KVAH} = \text{Rs. 6.3079} - 5.3676$$

AS PER TARIFF RATES PAYABLE BY THE 132 KV CATEGORY OF CONSUMER AS APPROVED IN THE TARIFF ORDER DATED 27.3.2015

$$\text{Rs. -0.1611 per KVAH} = \text{Rs. 5.10} - [\text{Rs. 5.0578 (1+4.02\% OF 5.0578 i.e. 0.2033) + 0.00}]$$

$$\text{Rs. -0.1611 per KVAH} = \text{Rs. 5.10} - 5.2611$$

In the above two calculations the difference is between (T) Tariff Rates and (D) wheeling charges amounts i.e., this Hon'ble Commission considered average realization amount of Rs. 6.3079 per KVAH whereas as per tariff policy it should be Rs. 5.10 per KVAH i.e., tariff payable and no wheeling charges are payable by 132 KV category consumers as approved by this Hon'ble Commission in Tariff Order dated 27.3.2015 even though Rs. 0.1065 has taken. Hence, the same need to be corrected / revised. A copy of Page No. 56 of Wheeling Tariff dated 27.3.2015 is enclosed as **Annexure II (Page No. 4 – 4)**.

Contd..3



33 KV CATEGORY

AS PROPOSED BY THE HON'BLE COMMISSION

Rs. 1.33 per KVAH = Rs. 6.8019 – [Rs. 5.0578 (1+7.85% OF 5.0578 i.e. 0.3970)+0.0207]

Rs. 1.33 per KVAH = Rs. 6.8019 – 5.4755

**AS PER TARIFF RATES PAYABLE BY THE 33 KV CATEGORY OF CONSUMER
AS APPROVED IN THE TARIFF ORDER DATED 27.3.2015**

Rs. -0.12 per KVAH = Rs. 5.60 – [Rs. 5.0578 (1+7.85% OF 5.0578 i.e. 0.3970) + 0.0207]

Rs. – 0.12 = Rs. 5.60 – 5.4755

In the above two calculations the difference is between (T) Tariff Rates amounts. This Hon'ble Commission taken average realization amount of Rs. 6.8019 per KVAH whereas as per tariff policy it should be Rs. 5.60 per KVAH i.e., tariff payable as approved by this Hon'ble Commission in Tariff Order dated 27.3.2015. Hence, the same need to be corrected / revised. A copy of Page No. 227 of Tariff Order dated 27.3.2015 of FY 2015-16 is enclosed as **Annexure III (Page No. 5 – 5)**.

It is to be noted that as prescribed in Section 42 (2) of Electricity Act, 2003 “..... *such surcharge and cross subsidy shall be progressively reduced in the manner as may be specified by the State Commission.*”

It is also to be noted that the Hon'ble Ministry of Power in its tariff policy dated 6.1.2006 directed that “*The cross-subsidy surcharge should be brought down progressively and, as far as possible, at a linear rate to a maximum of 20% of its opening level by the year 2010-11.*”

In the present proposal the details of cross subsidies of Financial Year 2015-16 pertaining to the TSSPDCL area are not furnished even though the Financial Year 2015-16 is completed and Annual Report also available hence, we are not able to give our suggestions. However, we pray to this Hon'ble Commission to consider the same before finalizing the surcharge for open access consumer for FY 2015-16 in the interest of justice keeping in view the fact that the Financial Year 2015-16 is already over and the audited figures are available with the TSSPDCL. The said details may be provided with audited figures i.e., cross subsidy provided during FY 2015-16, the quantum of open access energy transmitted (category of consumer wise) and proportionate surcharge leviable on them in the interest of justice.

Contd..4




Hence, we pray to this Hon'ble Commission to consider our above said suggestions / objections and direct the TSSPDCL to refund the CSS already paid by the respective consumers, if any in the Financial Year 2015 – 16 along with applicable rate of interest till the date of refund in the interest of justice.

Also pray to consider the same logic for other categories also in the interest of justice.

It is respectfully submitted that this Respondent prays to the Hon'ble Commission that the advocate of this Respondent Ms. Nishtha may be permitted to represent and file additional grounds at the time of hearing to be held on 22.2.2024 at Court Hall at 5th Floor of the Hon'ble Commission with the permission of the Hon'ble Commission. Accordingly, vakalat duly filled and signed is enclosed.

Date: 13.2.2024

Place: Hyderabad.


(Promod Agarwal)

LIST OF DOCUMENTS ENCLOSED

Sl. No.	Particulars of document	Annexure No.	Page No.
1	A copy of Page No. 18 to 20 of Tariff Policy dated 6.1.2006.	I	1 – 3
2	A copy of Page No. 56 of Wheeling Tariff dated 27.3.2015.	II	4 – 4
3	A copy of Page No. 227 of Tariff Order dated 27.3.2015 of FY 2015-16.	III	5 – 5
4	Vakalat	IV	6 – 6

electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural / rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of self closing load limitors may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

8.4 Definition of tariff components and their applicability

1. Two-part tariffs featuring separate fixed and variable charges and Time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year. This would also help in flattening the peak and implementing various energy conservation measures.
2. The National Electricity Policy states that existing PPAs with the generating companies would need to be suitably assigned to the successor distribution companies. The State Governments may make such assignments taking care of different load profiles of the distribution companies so that retail tariffs are uniform in the State for different categories of consumers. Thereafter the retail tariffs would reflect the relative efficiency of distribution companies in procuring power at competitive costs, controlling theft and reducing other distribution losses.
3. The State Commission may provide incentives to encourage metering and billing based on metered tariffs, particularly for consumer categories that are presently unmetered to a large extent. The metered tariffs and the incentives should be given wide publicity.
4. The SERCs may also suitably regulate connection charges to be recovered by the distribution licensee to ensure that second distribution licensee does not resort to cherry picking by demanding unreasonable connection charges. The connection charges of the second licensee should not be more than those payable to the incumbent licensee.

8.5 Cross-subsidy surcharge and additional surcharge for open access

8.5.1 National Electricity Policy lays down that the amount of cross-subsidy surcharge and the additional surcharge to be levied from consumers who are permitted open access should not be so onerous that it eliminates competition which



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is intended to be fostered in generation and supply of power directly to the consumers through open access.

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

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

Surcharge formula:

$$S = T - [C (1 + L / 100) + D]$$

Where

S is the surcharge

T is the Tariff payable by the relevant category of consumers;

C is the Weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power

D is the Wheeling charge

L is the system Losses for the applicable voltage level, expressed as a percentage



The cross-subsidy surcharge should be brought down progressively and, as far as possible, at a linear rate to a maximum of 20% of its opening level by the year 2010-11.

8.5.2 No surcharge would be required to be paid in terms of sub-section (2) of Section 42 of the Act on the electricity being sold by the generating companies with consent of the competent government under Section 43(A)(1)(c) of the Electricity Act, 1948 (now repealed) and on the electricity being supplied by the distribution licensee on the authorisation by the State Government under Section 27 of the Indian Electricity Act, 1910 (now repealed), till the current validity of such consent or authorisations.

8.5.3 The surcharge may be collected either by the distribution licensee, the transmission licensee, the STU or the CTU, depending on whose facilities are used by the consumer for availing electricity supplies. In all cases the amounts collected from a particular consumer should be given to the distribution licensee in whose area the consumer is located. In case of two licensees supplying in the same area the licensee from whom the consumer was availing supply shall be paid the amounts collected.

8.5.4 The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.

8.5.5 Wheeling charges should be determined on the basis of same principles as laid down for intra-state transmission charges and in addition would include average loss compensation of the relevant voltage level.

8.5.6 In case of outages of generator supplying to a consumer on open access, standby arrangements should be provided by the licensee on the payment of tariff for temporary connection to that consumer category as specified by the Appropriate Commission.

9.0 Trading Margin

The Act provides that the Appropriate Commission may fix the trading margin, if considered necessary. Though there is a need to promote trading in



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ANNEXURE II

//TRUE COPY

ANNEXURE-E

Wheeling Tariff Schedule for FY 2014-15 to 2018-19

TSSPDCL

A. WHEELING RATES

Voltage	2014-15	2015-16	2016-17	2017-18	2018-19
33 kV (Rs/kVA/month)	12.67	15.71	16.63	18.34	19.95
11 kV(Rs/kVA/month)	155.91	173.97	191.53	211.62	231.52
LT(Rs/kVA/month)	344.17	373.12	406.84	446.15	485.45

B. WHEELING LOSSES

2014-15	Supply point	
Drawn at	33kV	11kV
33kV	3.99%	8.79%
11kV	8.79%	8.79%
2016-17		
Drawn at	33kV	11kV
33kV	3.99%	8.31%
11kV	8.31%	8.31%
2018-19		
Drawn at	33kV	11kV
33kV	3.99%	8.07%
11kV	8.07%	8.07%

2015-16	Supply point	
Drawn at	33kV	11kV
33kV	3.99%	8.79%
11kV	8.79%	8.79%
2017-18		
Drawn at	33kV	11kV
33kV	3.99%	8.21%
11kV	8.21%	8.21%

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ANNEXURE III

//TRUE COPY//

Consumer Category	Energy	Fixed/Dem and Charge	Energy Charge
	Unit	(Rs./Month)	(Rs./Unit)
LT-VI(A): STREET LIGHTING			
Panchayats	kWh	32/kW	5.70
Municipalities	kWh	32/kW	6.20
Municipal Corporations	kWh	32/kW	6.70
LT-VI(B): PWS SCHEMES			
Panchayats	kWh/kVAh	32/HP	4.60
Municipalities	kWh/kVAh	32/HP	5.70
Municipal Corporations	kWh/kVAh	32/HP	6.20
LT-VII: GENERAL			
LT-VII(A): GENERAL PURPOSE	kWh/kVAh	21/kW	6.90
LT-VII(B): RELIGIOUS PLACES	kWh	21/kW	5.00
LT-VIII: TEMPORARY SUPPLY	kWh/kVAh	21/kW	10.00
HT-I: INDUSTRY			
HT-I(A): GENERAL			
11 kV	kVAh	370/kVA	6.00
33 kV	kVAh	370/kVA	5.60
132 kV & Above	kVAh	370/kVA	5.10
LIGHTS AND FANS			
11 kV	kVAh		6.00
33 kV	kVAh		5.60
132 kV & Above	kVAh		5.10
POULTRY FARMS			
INDUSTRIAL COLONIES			
11 kV	kVAh		6.00
33 kV	kVAh		6.00
132 kV & Above	kVAh		6.00
SEASONAL INDUSTRIES			
11 kV	kVAh	370/kVA	7.30
33 kV	kVAh	370/kVA	6.60
132 kV & Above	kVAh	370/kVA	6.40
TIME OF DAY TARIFFS(6 PM to 10 PM)			
11 kV	kVAh		7.00

1 11 1 1

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ANNEXURE IV

Telangana State Electricity Regulatory Commission

5th Floor, Singareni Bhavan, Red Hills, Lakdi Ka Pool
Hyderabad – 500 004

...

O.P. Nos 76 and 77 OF 2015

BETWEEN:

TSSPDCL & TSNPDCL

...Petitioners

AND

1. MS Agarwal Foundries Pvt Ltd., and 50 others ... Respondent(s)

I Sri Pramod Agarwal W/o Late Maniklal Agarwal, aged about 60 years Occupation Business R/o Hyderabad, Telangana State, Petitioner do hereby appoint and retain

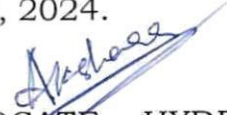
**NISHTHA (Enr. No. TS/2554/2021)
ADVOCATE**

Advocate/s of the High Court to appear for me/us in the above Appeal/Petition and to conduct and prosecute (or defend) the same and all proceedings that may be taken in respect of any application connected with the same or any decree or order passed therein including all applications for return of documents or the receipt of any money that may be payable to me/us in the said Appeal/Petition and also to appear in all applications under Clause-XV of the Letters Patent and in all applications for review and for leave to the Supreme Court of India and in all applications review of judgment.



I certify that the contents this Vakalatnama were read out and explained in Urdu/Hindi/Telugu to the executants or executants who appeared perfectly to understand the same and made his/her/their signatures or mark in my presence.

Executed before me this 13th day of February, 2024.


ADVOCATE :: HYDERABAD



**Telangana State
Electricity Regulatory
Commission**

5th Floor, Singareni Bhavan, Red
Hills, Lakdi Ka Pool,
Hyderabad – 500 004

O.P. Nos. 76 and 77 OF 2015

BETWEEN:

TSSPDCL & TSNPDCL

... Petitioners

AND

MS Agarwal Foundries Pvt Ltd.
and 50 others.

...Respondent (s)

VAKALAT

ACCEPTED

Nishtha

COUNSEL FOR PETITIONER/
APPELLANT/
RESPONDENT NO. 1

Filed on: 13.2.2024

Filed by:
NISHTHA (23901)
ADVOCATE,
2-2-1105/4/A/F, Indranagar,
Tilakagar, Hyderabad – 500 044.
Cell No. 70362 05211

COUNSEL FOR RESPONDENT NO. 1