

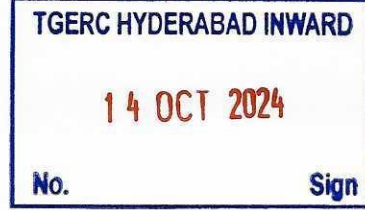


Ref No. IEX/RA/064/24-25

Date: 11<sup>th</sup> Oct. 2024

To,

The Secretary,  
Telangana Electricity Regulatory Commission  
Vidyut Nyantran Bhavan,  
G.T.S Colony, Kalyan Nagar,  
Hyderabad – 500045



**Sub:** Comments/ Suggestions on the Petition filed by Southern Power Distribution Company of Telangana Ltd (TGSPDCL) and Northern Power Distribution Company of Telangana Ltd (TGNPDCL) for approval of Aggregate Revenue Requirement for Retail Supply Business for 5<sup>th</sup> Control Period i.e., from FY 2024-25 to FY 2028-29 & Tariff Proposals for FY 2024-25

Dear Sir,

With reference to public notice inviting comments of the stakeholders on the Retail Supply Tariff Petition filed by Telangana Discoms before Hon'ble Telangana State Electricity Regulatory Commission (TGERC) for determination of Aggregate Revenue Requirement for Retail Supply Business for 5<sup>th</sup> Control Period i.e., from FY 2024-25 to FY 2028-29 & Tariff Proposals for FY 2024-25, we enclose herewith our comments on the subject Tariff Petition of Telangana Discoms.

The Hon'ble Commission is requested to consider our views while computing the Aggregate Revenue Requirement and Tariff Structure.

Yours Sincerely,

  
  
**Gaurav Maheshwari**  
AVP – Regulatory Affairs  
Email: [iex-ra@iexindia.com](mailto:iex-ra@iexindia.com)

**Copy to:**

1. The Chief Engineer (RAC), TGSPDCL, Corporate Office, First Floor, A Block, Mint Compound, Hyderabad- 63
2. The Chief Engineer (IPC & RAC), TGNPDCL, H.No. 2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanumakonda- 01

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1. The Distribution Licensees of the state of Telangana viz. Southern Power Distribution Company of Telangana Ltd and Northern Power Distribution Company of Telangana Ltd (hereinafter referred to as 'TGSPDCL and TGNPDCL' or collectively as 'Licensees' or 'Petitioners' or 'Discoms') have filed the present Petitions before the Hon'ble Telangana State Electricity Regulatory Commission (hereinafter referred to as 'Hon'ble Commission') for determination of Aggregate Revenue Requirement for Retail Supply Business for 5<sup>th</sup> Control Period i.e., from FY 2024-25 to FY 2028-29 & Tariff Proposals for FY 2024-25 in accordance with the provisions of TSERC Tariff Regulations.
2. IEX is submitting its views and observations on the Tariff Petition filed by the Discoms in subsequent paragraphs.
3. **Restricting CSS to 20% of Average Cost of Supply (ACoS)**
  - a. The Petitioner in the present proposal has requested the Hon'ble Commission not to restrict the CSS to 20% of tariff payable by the consumer as the tariffs are not within +/- 20% of Average Cost of supply.
  - b. The Ministry of Power has amended the Electricity Rules, 2005, and notified the Electricity (Amendment) Rules, 2022 on 29.12.2022, wherein, the Ministry has capped the cross subsidy surcharge on open access at 20% of the Average Cost of Supply. Since the tariffs are being set with reference to the ACoS, the Hon'ble Commission is requested to cap the surcharge on open access with reference to the ACoS, in line with the Electricity (Amendment) Rules, 2022. Relevant section of the rules is provided below:

*“13. Surcharge payable by Consumers seeking Open Access- The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003 shall not exceed twenty per cent of the average cost of Supply.”*

**IEX comments on Telangana Discoms ARR Petition for Retail Supply Business for FY 2024-25**

- c. In line with the above submission, it is understood that the CSS computed by the Petitioner should be limited to the 20% of the average cost of supply. The table below shows the CSS claimed and the CSS applicable as per the MoP Electricity (Amendment) Rules, 2022.

	<b>CSS Claimed</b>	<b>Average Cost of Supply (ACoS) for HT Category</b>	<b>CSS limit of 20% of ACoS</b>
<b>HT Category at 11 KV</b> HT-I Industry Segregated (Poultry Included)	1.95	5.89	1.178
<b>HT Category at 33 KV</b> HT-I Industry Segregated (Poultry Included)	1.68	5.89	1.178
<b>HT Category at 132 KV</b> HT-I Industry Segregated	1.58	5.89	1.178

- d. In view of the above, we request the Hon'ble Commission to align the capping limit of CSS with the MoP Electricity (Amendment) Rules, 2022.

We accordingly request the Hon'ble Commission to consider our suggestion while finalising the Petitions.