



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

O. P. (SR) No. 104 of 2022
&
I. A. (SR) No.105 of 2022

Dated 21.11.2022

Present

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

Between:

Northern Power Distribution Company of Telangana Limited
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan
Nakkalagutta, Hanamkonda, Warangal-506 001

... Petitioner

AND

- None -

... Respondent

The petition came up for hearing on 21.11.2022. Sri. Mohammad Bande Ali, Law Attaché for the petitioner is present on 21.11.2019. The petition having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

Northern Power Distribution Company of Telangana Limited (TSNPDCL) (petitioner) has filed a petition in accordance with the Clause 38 of Telangana State Electricity Regulatory Commission (Distribution Licence) Regulation, 2016 seeking approval of Business Plan for the 5th year being FY 2023-24 of the 4th control period FYs 2019-24.

2. The petitioner has sought the following prayer in the petition:
 - i. Take the accompanying application of TSNPDCL on record and treat it as complete;

- ii. Approve the Business Plan for FY 2023-24 (the last year of the fourth control period);
 - iii. Grant suitable opportunity to TSNPDCL within a reasonable time frame to file additional material information that may be subsequently required;
3. The petition has also filed an interlocutory application seeking condonation of delay in filing the petition for approval of Business Plan for FY 2023-24 of 4th control period. The applicant has sought following prayer in the application:
- “(i) *Condone the delay in filing of the Business Plan petition for 4th control period (FY 2023-24) for the reason stated above.*
 - “(ii) *Permit the licensee to file the ensuing Business Plan petitions for the control period as a whole.*”
4. The Commission has heard the petitioner and the submissions on 21.11.2022 are as extracted below:

Record of proceedings dated 21.11.2022:

“... .. The representative of the petitioner stated that the petitioner is filing the present petition for approval of business plan for FY 2023-24 of the 4th control period of FYs 2019-24. The petition is not taken on record as there is delay in filing the petition and an application for condoning the delay is also filed. The Commission noticed that as per the regulations applicable and guidelines, the petitioner has to file (a) shall plan for a period of two control periods and (b) shall submit detailed distribution plans for the control period under consideration for tariff review listing out proposed schemes and an indicative overall investment plan for the subsequent control period. In any case, the petitioner has to file the proposals in a few months time, therefore entertaining this petition and initiating proceedings is a futile exercise.”

5. The petitioner had relied upon the following provisions specified in TSERC Distribution Licence Regulation No.4 of 2016:

“38. **Business Plan**

- 38.1 *Subject to other regulations notified by the Commission, the Distribution Licensee shall submit a Business Plan within three (3) months of the Distribution Licence coming in force for such period as the Commission lay direct and shall update such plan annually. The Business Plan shall, inter-alia, contain (i) year wise load growth, (ii) year wise Distribution loss reduction proposal along with specific action plan, (iii) metering plan for metering interface points, (iv) treatment of previous losses, (v) cost reduction plan, and (vii) other important financial analysis or parameters. Provided that the existing licensees shall submit such Business Plans within three (3) months from date of notification of this Regulation.*
- 38.2 *The Distribution Licensee shall submit full details to the Commission, by the end of first quarter of each financial year, regarding the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-à-vis the Plan as approved by the Commission.”*

6. The Distribution Licensee has filed the petition for the first time after the Regulation No.4 of 2016 was notified on 02.07.2016. The triggering point for filing the present petition appears to be the penal conditions imposed vide Regulation No.2 of 2022.

7. The '*Load Forecast and Resource Plan Guidelines, 2006*' issued by the erstwhile Commission, which has been adopted by TSERC (Adoption) Regulation No.1 of 2014 stipulates that –

“3.5 Distribution Planning

3.5.1 *Each holder of a Distribution and Retail Supply Licence shall plan for a period of two Control Periods and develop its Distribution System in accordance with provisions of Section 42 of the Electricity Act 2003 and paragraph 19 of its Distribution and Retail Supply Licence so as to ensure that, subject to the availability of adequate generating and transmission capacity, the system is capable of providing consumers within its area of supply with an adequate, safe and economical supply of electricity, having regard to quality, continuity and reliability of service.*

3.5.2 *Each Licensee shall formulate a plan for its Distribution System in accordance with the Load Forecast for the plan period (a “Distribution Plan”). The Distribution Plan shall adopt planning criteria consistent with, and be designed to meet, the Distribution System Planning and Security Standards adopted pursuant to paragraph 18 of its Distribution and Retail Supply License.*

The Distribution Licensees shall submit detailed distribution plans for the Control Period under consideration for tariff review listing out proposed schemes, and an indicative overall investment plan for the subsequent Control Period. The Distribution Plan shall clearly demonstrate segregation into:

- *System Expansion Plan: This list scheme whose primary objective is to undertake network reinforcement or expansion to cater to load growth and electrification;*
- *System Improvement Plan: This will have schemes whose primary objective is Loss reduction or Improvement in quality of supply or Automation of operations;*
- *Generation Evacuation: This will list the schemes required to evacuate generated power.*

3.5.3 *The planning study shall take account of any demand on the Licensee’s existing or planned distribution capacity arising from projected wheeling transactions, that is, the transport of power through the Licensee’s distribution system for delivery to customers.*

3.5.4 *The Licensee shall also work out alternate scenarios with different levels of investment and demonstrate the impact on efficiency, quality of service and tariff for the consumers. It shall demonstrate the affordability of these investments by developing Business Plans for the same for the duration of the plan Period.*

The alternate scenarios would include, but not be limited to calculating the investment levels required.

- *to maintain quality of service standards as existing at the time of submitting the Resource Plans; and*
- *to meet the quality of service standards set by the Commission.*

8. It is clear that as per the 'Load Forecast and Resource Plan Guidelines, 2006' the distribution licensee shall plan for a period of two (2) control periods and develop its distribution system and also develop the Business Plan/Distribution Plan for the duration of the Plan Period i.e., two (2) control periods and shall also submit full details to the Commission, by the end of first quarter of each financial year, regarding the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-à-vis the Plan as approved by the Commission as per Clause 38 of TSERC (Distribution Licence) Regulation No.4 of 2016.

9. The Commission having noticed the submissions recorded above and in view of the fact that the matter has been examined on its regulatory side. The Commission is of the view that in any case, the distribution licensee is required to file the Resource Plan which consists of both Distribution Plan (Business Plan) and Power Procurement Plan for a period of ensuing two (2) control periods in a few months time. Therefore, examining this petition at this point of time is futile exercise. Accordingly, the petition is refused to be entertained and thus it is rejected. Consequently, the interlocutory application does not survive and accordingly the same also stands rejected.

This order is corrected and signed on this the 21st day of November, 2022.

Sd/-
(BANDARU KRISHNAIAH)
MEMBER

Sd/-
(M. D. MANOHAR RAJU)
MEMBER

Sd/-
(T. SRIRANGA RAO)
CHAIRMAN

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