



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Vidyut Soudha, Somajiquda, Hyderabad – 82.

From
Chief Engineer
(Comml.&RAC)
Vidyut Soudha,
Hyderabad – 500082.

To
The Secretary, TSERC,
#11-4-660, 5th floor,
Singareni Bhavan, Red Hills,
Hyderabad – 500004.

Lr.No.CE/Comml.&RAC/SE/Plg/RAC/F.Draft MYT Regn2023/D.No.108/23,Dt.13-12-2023

Sir,

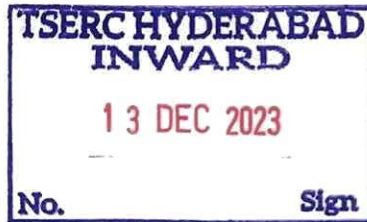
Sub: TSTRANSCO – Draft Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 published by the Hon'ble TSERC – Comments/Suggestions/Objections of the Transmission Licensee (i.e., TSTRANSCO) – Submission to TSERC – Reg.

Ref: Public Notice Dt. 16.11.2023 issued by the TSERC

With respect to the Public Notice cited above wherein the Hon'ble TSERC issued the Draft Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023, the Comments/Suggestions/Objections of Transmission Corporation Of Telangana Limited (the Transmission Licensee) are submitted herewith in 6 (Six) sets.

The receipt of the same may be acknowledged.

Encl: As above



Yours faithfully,

(Signature)
12/12/23

D. Praveen Maurice 4/4

CHIEF ENGINEER(Comml.&RAC)

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Copy to

PS to Joint Managing Director (Fin.,Comml.&HRD)/VidyutSoudha/TSTRANSCO/Hyd.

TRANSMISSION CORPORATION OF TELANGANA LIMITED

Submission of Comments/Suggestions/Objections on

The Draft Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 issued by the Hon'ble TSERC.

| Comments/Suggestions/Objections on the draft TSERC (Multi year tariff) Regulation, 2023 | | | | Proposed amendment to the draft Regulation |
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| Sl. No. | Regulation/ Section/ Clause (No.) | Draft Regulation | Comments/ Suggestions/ Objections on the draft Regulation | Proposed Amendment/New regulation |
| 1 | 12 12.1 | <p><u>Controllable and uncontrollable factors</u></p> <p>Variations or expected variations in the performance of the Petitioner, which may be attributed by the Commission to controllable factors include, but are not limited to the following:</p> <p>(a) Variation in Distribution losses; (b) Variation in Transmission losses; (c) Variation in operational norms; (d) Variation in amount of interest on working capital; (e) Variation in Operation & Maintenance expenses; (f) Variation in Coal transit losses.</p> | To be included in line with earlier TSERC Regulation 1 of 2019 (Terms and conditions of Generation tariff) | <p>Controllable and uncontrollable factors</p> <p>Variations or expected variations in the performance of the Petitioner, which may be attributed by the Commission to controllable factors include, but are not limited to the following:</p> <p>(a) Variation in Distribution losses; (b) Variation in Transmission losses; (c) Variation in operational norms; (d) Variation in amount of interest on working capital; (e) Variation in Operation & Maintenance expenses; (f) Variation in Coal transit losses. (g) Variation in interest and finance charges, return on equity, and depreciation on account of variation in capitalisation.</p> |

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| 2 | <p><u>14 Mechanism for sharing of gains or losses on account of controllable factors</u></p> <p>14.1 The approved aggregate gain to the generating entity or licensee or SLDC on account of controllable factors shall be dealt with in the following manner: (a) Two-third of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission; (b) The balance amount of such gain shall be retained by the generating entity or licensee or SLDC.</p> <p>14.2 The approved aggregate loss to the generating entity or licensee or SLDC on account of controllable factors shall be dealt with in the following manner: (a) One-third of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission; (b) The balance amount of such loss shall be absorbed by the generating entity or licensee or SLDC.</p> | <p>We plead the Hon'ble Commission to consider the fact that Transmission Licensee shall have to bear the loss in case the Proposed Regulation is followed, as many of the attributes contributing to Aggregate Revenue requirement are considered as Controllable factors, though the variation is Uncontrollable.</p> <ol style="list-style-type: none"> 1. Repairs and Maintenance is one of the components of O&M Cost which depends on the life of the asset. Hence, the same is not under the control of the Company. 2. Employee Cost with respect to DA, Annual grade increments and terminal benefits is not controllable except Pay revision. 3. Interest on working capital is also based on O&M and other components of ARR, Hence the same is not controllable. | <p>It is proposed to amend the regulation by allowing complete gain or loss as per actuals in line with existing norms.</p> |
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21 Capital Cost**21.1 Capital cost for a capital investment project shall include:**

21.1.(b) Interest during construction and financing charges, on the loans (i) being limited to 75% of the funds deployed, in the event of actual loan in excess of 75% of the funds deployed, by treating the excess loan amount as equity, or (ii) being equal to the actual amount of loan in the event of the actual loan less than 75% of the funds deployed;

We plead with the Hon'ble Commission to consider the fact that Transmission Licensee shall have to bear the Capital loss, if the Interest During Construction and financing charges is limited to 75% of the funds deployed, as the amount of actual Interest incurred during Construction period cannot be claimed in Interest & Finance Charges.

Therefore, we request the Hon'ble Commission to allow entire actual interest expenditure incurred during construction period as addition to Capital Cost.

As per Regulation 27.1 of the draft TSERC regulation 2023, the debt equity ratio shall be 75:25. Where equity employed is more than 25%, it shall be limited to 25%. In case, equity employed is less than 25 %, the actual equity shall be considered. However, The draft Regulation 21.1 (b) is contra indication to the Clause 27.1.

Illustration :As per draft Regulation 21.1 (b) (i), in the event of actual loan i.e say for 85 % loan, the excess loan above 75%

Interest during construction and financing charges, on the loans (i) being equal to 75% of the funds deployed, in the event of the actual equity in excess of 25% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 25% of the funds deployed;

The draft regulation proposed at clause 21.1(b) is in contradictory to clause 27.1 of the draft regulation. Hence, we request the commission to amend the proposed regulation in line with existing norms.

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| | | | <p>has to be treated as equity, then total equity will be 25%, though actual equity employed is less than 25%, which is against to the Regulation 27.1</p> <p>21.1 (b) (ii) if actual loan is say 70% then equity will be 30%, which is against the regulation 27.1 on debt equity ratio.</p> | |
| 4 | <p>21.2 <u>Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC):</u></p> <p>21.2(d)</p> | <p>If the delay in achieving the COD is not attributable to the generating company or the transmission licensee, IDC and IEDC beyond SCOD may be allowed after prudence check and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be adjusted in the capital cost of the generating station or the transmission system, as the case may be.</p> | <p>Any liquidated damages collected from the Contractor are considered as Income in compliance with GST Act.</p> <p>Therefore, we request the Hon'ble Commission to consider the treatment of Liquidated damages collected as per the Proposed Regulation with Applicable GST Rules.</p> | <p>We request the Hon'ble Commission to consider the treatment of Liquidated damages collected as per the Proposed Regulation with Applicable GST Rules.</p> |
| 5 | 21.6 | <p>The actual amount of capitalisation during a year against capital investment schemes for which prior approval of the Commission is not required, shall not exceed 10% of the amount of capitalisation approved against capital investment schemes for which prior approval of the Commission has been accorded</p> | <p>We request the Hon'ble Commission to look into the clause 21.6, as the Approval from the Commission is to be obtained for the Projects with Investments above 50Cr, the unapproved schemes limiting to 10% of total Approved projects during the year may not be appropriate.</p> | <p>We request the Hon'ble Commission to kindly remove the limit of 10% on Approved Projects Capitalisation during the year.</p> |

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| 6 | <p>27 Debt-Equity Ratio</p> <p>27.1</p> | <p>For the purpose of determination of tariff, debt-equity ratio as on date of commercial operation in case of a new generating station, transmission line and distribution line or substation commissioned or capacity expanded on and/or after 01.04.2024, shall be 75:25. Where equity employed is more than 25%, the amount of equity for the purpose of tariff shall be limited to 25% and the balance amount shall be considered as normative loan. Where actual equity employed is less than 25%, the actual equity shall be considered:</p> | <p>The draft regulation proposed in clause at 27.1 is in contradiction to clause 21.1.(b) of the draft regulation Hence, we request the commission to amend the proposed regulation in line with existing debt equity ratio of 75:25.</p> | <p>We request the Hon'ble Commission to amend the regulation by allowing debt equity ratio as 75:25 in line with existing regulation.</p> |
| 7 | <p>28 Depreciation</p> <p>28.1 (b)</p> | <p>Depreciation shall be computed annually based on the straight line method on the basis of the expected useful life specified in the Annexure I to this Regulation.</p> | <p>We request the Hon'ble Commission to allow calculating the Depreciation based on CERC norms in accordance with CERC Tariff Regulations 2019.</p> <p>TSTRANSCO has complied with the directions of Hon'ble TSERC issued in the 4th MYT orders and changed the depreciation methodology from Ministry of Power Norms to CERC Norms even though it impacts the cash flows negatively.</p> <p>The CERC methodology was adopted in the Company accounting package (SAP) during</p> | <p>We request the Hon'ble Commission to allow the calculation of Depreciation as per CERC Norms in accordance with CERC Tariff Regulations 2019.</p> |

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| | | | FY 2020-21 and regular changes in the methodology affects adversely the asset base of the Company. | |
| 8 | 28.1 (c) | <p>The salvage value of the asset shall be considered at ten per cent of the allowable capital cost and depreciation shall be allowed up to a maximum of ninety per cent of the allowable capital cost of the asset.</p> <p>Provided that the generating entity or Licensee or SLDC shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset</p> <p>Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero per cent of the allowable capital cost.</p> | <p>We request the Hon'ble Commission to consider the following:</p> <ul style="list-style-type: none"> i. Certificate from the Statutory Auditor for capping the depreciation at ninety per cent of the allowable capital cost of the assets may be submitted as per asset class wise. ii. The salvage Value of Information Technology equipment shall not be zero. iii. As per Companies Act, 2013, the salvage Value of Information Technology equipment shall not be zero. | <p>We request the Hon'ble Commission to amend the regulation as below:</p> <ul style="list-style-type: none"> i. Certificate from the Statutory Auditor for capping the depreciation at ninety per cent of the allowable capital cost of the assets may be submitted Asset Class wise. ii. The salvage Value of Information Technology equipment shall not be zero. |
| 9 | 28.5 | <p>Depreciation allowed for each year of the Control Period shall be deemed to be equal to the loan repayment, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost:</p> <p>Provided that depreciation allowed for each year of the Control Period beyond seventy five percent (75%) of</p> | <p>We request the Hon'ble Commission that Depreciation calculated for the year may not be equal to Loan repayment during the year, as the Life of the Asset considered for calculation of depreciation and period of Loan repayment are completely different. Therefore, Depreciation and the Loan repayment for the year may not be equal.</p> <p>The Hon'ble Commission hereby requested to allow entire actual depreciation without</p> | <p>We request the Hon'ble Commission to amend the draft regulation in the following lines:</p> <p>Depreciation calculated on the Opening Value of Fixed Assets and Additions during the year on pro rata basis may be allowed in full as per useful life of the Capital Asset as per CERC rates of Depreciation.</p> |

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| | | asset cost or actual debt Component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost, shall be utilised for reduction of equity during that year. | restricting to Loan repayment. | |
| 10 | 29 Return on Equity 29.2 | Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part thereof. | We request the Hon'ble Commission to levy the penalty as per the existing practice instead of reducing from ROE. | We request the Hon'ble Commission to amend the draft regulation in line with existing practice. |
| 11 | 31 Interest and Finance Charges on loan 31.1 | Interest and Finance Charges: The loans arrived at in the manner indicated in clause 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan. | The draft regulation proposed in clause at 27.1 is contradictory to clause 21.1.(b) of the draft regulation. Hence, we request the commission to amend the proposed regulation in line with existing debt equity ratio of 75:25. | We request the Hon'ble Commission to amend the regulation by allowing debt equity ratio as 75:25 in line with existing regulation. |
| 12 | 31.10 | Provided also that the net savings in interest shall be calculated as an annuity for the term of the loan, and the annual net savings shall be shared between the entity and Beneficiaries in the specified ratio. | Last proviso to be added along with heading. | 31.10 Sharing of saving in interest due to re-financing or restructuring of loan (Heading) Provided also that the net savings in interest shall be calculated as an annuity for the term of the loan, and the annual net savings shall be shared between the entity and Beneficiaries in the specified ratio. |

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| | | | | <p>Provided further that if refinancing is done and results in decrease in interest rate but negative saving due to higher refinance cost, then the refinance cost to be allowed to the extent of Net Present Value (NPV) of the saving from decrease in interest rate and deduction of refinance cost results into ZERO.</p> |
| 13 | <p>35 Rebates and Penalties</p> <p>35.1 For payment of bills of generation Tariff and Charges within 7 days of presentation of bills, through Letter of Credit or through NEFT/RTGS, a rebate of 2% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed.</p> <p>35.2 Penalties paid, if any, by the Generating Company or Licensee shall not be allowed as an expense for the Generating Company or Licensee.</p> | <p>The present practice may be allowed by the Commission.</p> | <p>The draft regulation may be amended to allow the existing practice.</p> | |

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| 14 | <p>36 Delayed Payment Charge and Delayed Payment Surcharge</p> <p>36.1</p> | <p>Delayed Payment Charge and Delayed Payment Surcharge</p> <p>36.1 In case the payment of bills of generation Tariff by the Beneficiary is delayed beyond a period of 60 days from the date of billing, Delayed Payment Charge at the Base Rate as on 1st day of the respective billing month plus 150 basis points per annum on the billed amount shall be levied for the period of delay by the <u>generating entity</u>, notwithstanding anything to the contrary as may have been stipulated in the Agreement or Arrangement with the Beneficiaries.</p> | <p>In line with regulation 36.4 & 36.7 of TSERC draft regulation 2023</p> | <p>Delayed Payment Charge and Delayed Payment Surcharge 36.1 In case the payment of bills of generation Tariff by the Beneficiary is delayed beyond a period of 60 days from the date of billing, Delayed Payment Charge at the Base Rate as on 1st day of the respective billing month plus 150 basis points per annum on the billed amount shall be levied for the period of delay by the generating entity, notwithstanding anything to the contrary as may have been stipulated in the Agreement or Arrangement with the Beneficiaries.</p> |
| | 36.2 | <p>Such Delayed Payment Charge earned by the generating entity <u>shall not be considered</u> under its Non-Tariff Income.</p> | | <p>Such Delayed Payment Charge earned by the generating entity shall be considered under its Non-Tariff Income.</p> |
| 15 | 36.3 | <p>In case the payment of bills of transmission Tariff by the Beneficiary is delayed beyond a period of 60 days from the date of billing, Delayed Payment Charge at the Base Rate as on 1st day of the respective billing month plus 150 basis points per annum on the billed amount shall be levied for the period of delay by the transmission licensee, notwithstanding anything to the contrary as may have been stipulated in the Agreement or Arrangement with the Beneficiaries.</p> | <p>We request the Hon'ble Commission to consider receivable period and delayed payment charges in line with existing practice.</p> | <p>We request the Hon'ble Commission to amend the draft regulation by considering receivable period and delayed payment charges in line with existing practice.</p> |

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| 16 | 36.4 | Such Delayed Payment Charge earned by the transmission licensee shall be considered under its Non-Tariff Income. | We request the Hon'ble Commission that Delayed payment Surcharge shall not be considered under Non - Tariff Income, in line with the Generating Company as per clause 36.2. As the same was not allowed under Interest on Working Capital as per draft regulation clause 33.2. | We request the Hon'ble Commission to amend the draft regulation by considering the Delayed payment surcharge shall not be considered as Non - Tariff Income. | | | | | | | | | | | | | | | | | | | | |
| 17 | 36.5 | In case the payment of bills of SLDC charges is delayed beyond a period of 60 days from the date of billing, Delayed Payment Charge at the Base Rate as on 1st day of the respective billing month plus 150 basis points per annum on the billed amount shall be levied for the period of delay by the SLDC. | We request The Hon'ble Commission to allow present practice of delayed payment charges as per Regulation 1 of 2006 "if the fee and charges as the case may be are not paid by the due date(s), surcharge at the rate of two percent per month shall be levied on the un paid amounts." | We request the Hon'ble Commission, to amend the regulation as in case the payment of the bills of SLDC charges are delayed beyond a period of 30 days for Discoms and 15 days for Open Access Consumers from the date of invoice. | | | | | | | | | | | | | | | | | | | | |
| 18 | 44 44.4 | Operational Norms for Thermal Generating Stations Gross Station Heat Rate for existing coal-based thermal Generating Stations, except those covered under clause 44.5 shall be: <table border="1" data-bbox="407 1122 978 1219"> <tr> <td>MW</td> <td>62.5</td> <td>250</td> <td>500</td> <td>600</td> </tr> <tr> <td>KCal/KWh</td> <td>3000</td> <td>2500</td> <td>2450</td> <td>2300</td> </tr> </table> | MW | 62.5 | 250 | 500 | 600 | KCal/KWh | 3000 | 2500 | 2450 | 2300 | In line with CERC Regulations | Gross Station Heat Rate for existing coal-based thermal Generating Stations, except those covered under clause 44.5 shall be: <table border="1" data-bbox="1707 1122 2205 1247"> <tr> <td>MW</td> <td>62.5</td> <td>250</td> <td>500</td> <td>600</td> </tr> <tr> <td>KCal/KWh</td> <td>3000</td> <td>2430</td> <td>2390</td> <td>2300</td> </tr> </table> | MW | 62.5 | 250 | 500 | 600 | KCal/KWh | 3000 | 2430 | 2390 | 2300 |
| MW | 62.5 | 250 | 500 | 600 | | | | | | | | | | | | | | | | | | | | |
| KCal/KWh | 3000 | 2500 | 2450 | 2300 | | | | | | | | | | | | | | | | | | | | |
| MW | 62.5 | 250 | 500 | 600 | | | | | | | | | | | | | | | | | | | | |
| KCal/KWh | 3000 | 2430 | 2390 | 2300 | | | | | | | | | | | | | | | | | | | | |

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| 19 | 44.5 | Gross Station Heat Rate for Coal based thermal power Generating Stations /Units achieving COD after 01.04.2019 shall be equal to <u>1.05</u> times the Design Heat Rate (kcal/kWh); | Gross Station Heat Rate for Coal based thermal power Generating Stations /Units achieving COD after 01.04.2019 shall be equal to <u>1.045</u> times the Design Heat Rate (kcal/kWh); | Proposed to modify the table in line with earlier TSERC Regulation 1 of 2019 |
| | | Provided that the Design Heat Rate shall not exceed the following maximum design Unit Heat Rates depending upon the pressure and temperature ratings of the Units: (Table) | Corresponding MW row for the pressure rating has to be included on the top of the table and the table to be modified in line with earlier TSERC regulation 1 of 2019 (clause 17.4). | Proposed to modify the table in line with earlier TSERC Regulation 1 of 2019 |
| 20 | 46 | <p>Computation and Payment of Capacity Charges and Energy Charges for Thermal Generating Stations</p> <p>46.5 Adjustment of ECR on account of variation in price or heat value of fuels</p> <p>46.5 Any variation in Price and Gross Calorific Value of coal or liquid fuel as received less stacking loss of 85 kcal/kg vis-a-vis approved values shall be adjusted on month to month basis on the basis of average Gross Calorific Value of coal in stock received and weighted average landed cost incurred by the Generating Company for procurement of coal, or oil as the case may be for a generating station:</p> <p>Provided further that the Generating Company shall provide to the Beneficiaries of the</p> | <p>The Gross Calorific Value of as received/ as fired for liquid fuel are same Hence, As received less 85 Kcal/kg does not apply to liquid fuel as per CERC Regulations.</p> <p>Further, the form-15 has to be Annexed.</p> | <p>Adjustment of ECR on account of variation in price or heat value of fuels</p> <p>Any variation in Price and Gross Calorific Value of coal as received less stacking loss of 85 kcal/kg or liquid fuel vis-a-vis approved values shall be adjusted on month to month basis on the basis of average Gross Calorific Value of coal in stock as received and weighted average landed cost incurred by the Generating Company for procurement of coal, or oil as the case may be for a generating station:</p> <p>Provided further that the Generating Company shall provide to the Beneficiaries of the generating</p> |

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| | | generating Station, the details of parameters of GCV and price of fuel for each type of fuel, i.e., domestic coal, imported coal, e-auction coal, liquid fuel, etc., as per the forms prescribed by the Commission: | | Station, the details of parameters of GCV and price of fuel for each type of fuel, i.e., domestic coal, imported coal, e-auction coal, liquid fuel, etc., as per the forms prescribed by the Commission (Form to be enclosed as Annexure): |
| 21 | C Incentive | 46.6 Incentive shall be payable at a flat rate of 50.0 paise/kWh for actual energy generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor | To be modified in line with (i) regulation 46.3 of TSERC draft Regulation 2023, (ii) CERC Tariff Regulation 2014/ (iii) earlier TSERC Regulation 1 of 2019. | Incentive shall be payable at a flat rate of 50.0 paise/kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor |
| 22 | 68 Applicability (Transmission) | 68.3 All the new intra-State transmission systems costing above a Threshold Limit of Rs. 300 Crore shall be developed through Tariff Based Competitive Bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act. | As per the draft regulation proposed by the Hon'ble TSERC encourages private participation in Transmission sector which may lead to Privatisation of Public Sector Undertaking. Hence, it is objectionable. | We request the Hon'ble Commission to amend the draft regulation accordingly to protect the interest of general public. |
| 23 | 71 Operation and Maintenance expenses(Transmission) | 71.2 Operation and Maintenance expenses $O\&Mn = EMPn + R\&Mn + A\&Gn$ $EMPn = (EMPn-1) \times (CPI \text{ Inflation});$ $R\&Mn = K \times (GFAn) \times (WPI \text{ Inflation})$ and $A\&Gn = (A\&Gn-1) \times (WPI \text{ Inflation})$ | We request the Hon'ble Commission to kindly consider that the Employee cost calculation given in the draft regulation considers only to the extent of DA increase, but not Annual Grade Increment, Special Grade Increments and employee | We request the Hon'ble Commission to amend the draft regulation to allow actual employee cost incurred along with employee terminal benefits for the purpose of Aggregate Revenue Requirement. |

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| | | | terminal benefits etc. In this regard we request the Hon'ble Commission to allow Actual Employee costs incurred along with terminal employee benefits for the purpose of Aggregate Revenue Requirement. | |
| 24 | 71.3 | Operation and Maintenance expenses $O\&M_n = EMP_n + R\&M_n + A\&G_n$ $EMP_n = (EMP_{n-1}) \times (\text{CPI Inflation})$; $R\&M_n = K \times (GFAn) \times (\text{WPI Inflation})$ and $A\&G_n = (A\&G_{n-1}) \times (\text{WPI Inflation})$ | Clarification is required in arriving in value of K (Constant factor) for determining Repairs and Maintenance cost included in O&M Expenses. | |
| 25 | 71.4 | Provisioning of expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered. | We request the Hon'ble Commission to consider the Provisions as expenses/ revenue in Aggregate Revenue Requirement, as the Transmission Corporation is following Mercantile system of Accounting. | We request the Hon'ble Commission to amend the draft regulation to consider the Provisions as expenses/ revenue in Aggregate Revenue Requirement, as the Transmission Corporation is following Mercantile system of Accounting. |
| 26 | PART X | SLDC CHARGES | | |
| | 95 | Applicability | | |
| | 95.1 | The provisions contained in this Part shall apply in determining the SLDC Charges to be levied by the SLDC after 01.04.2024. | Registration fee, Application fee and Processing fee is subject to levy of GST as per the GST Act. | We request the Hon'ble Commission to allow the proposal to amend the Clause with applicability of rules as per GST Act. |
| | 95.2 | The generating companies, distribution licensees and trading licensees intending to get connected to the State Grid after 01.04.2024 shall be required to register themselves with | | |

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| | | SLDC on payment of Rs.1000/- per generating station (irrespective of the installed capacity) as Registration fee. SLDC shall devise an application format for the same before 01.04.2024 and publish the same on its website. | | |
| 27 | 98 | Operation and Maintenance expenses(SLDC) | | |
| | 98.3 | <p>$EMP_n = (EMP_{n-1}) \times (CPI \text{ Inflation})$; Where,</p> <ul style="list-style-type: none"> • EMP_{n-1} – Employee Costs for the (n-1)th year; • CPI Inflation – is the point to point change in the Consumer Price Index (CPI) for Industrial Workers (all India) as per Labour Bureau, Government of India; in case CPI Inflation is negative, the escalation/change shall be 0%; | <p>We request the Hon'ble Commission to kindly consider that the Employee cost calculation given in the draft regulation considers only to the extent of DA increase, but not Annual Grade Increment, Special Grade Increments and employee terminal benefits etc.</p> <p>In this regard we request the Hon'ble Commission to allow Actual Employee costs incurred along with terminal employee benefits for the purpose of Aggregate Revenue Requirement.</p> | <p>We request the Hon'ble Commission to amend the draft regulation to allow actual employee cost incurred along with employee terminal benefits for the purpose of Aggregate Revenue Requirement.</p> |
| | | <p>$R\&M_n = K \times (GFAn) \times (WPI \text{ Inflation})$</p> <ul style="list-style-type: none"> • WPI Inflation – is the point to point change in the Wholesale Price Index (WPI) as per the Office of Economic Advisor of Government of India; • GFAn - Opening Gross Fixed Asset of the generating station for the nth year; • “K” is a constant specified by the Commission in %. Value of K for each year of | <p>I) As per R&Mn formula, the term GFAn, is stated as Opening Gross Fixed Assets of the generating station for the nth year. In this regard clarification is required.</p> <p>II) The WPI Inflation Index for the projection of R&M COST is silent, in case WPI Inflation index is negative.</p> | <p>We request the Hon'ble Commission to consider actual Repairs and Maintenance cost incurred.</p> |

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| | | the control period shall be determined by the Commission in the MYT order based on SLDC's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission; | | |
| | | $A\&G_n = (A\&G_{n-1}) \times (\text{WPI Inflation})$ <ul style="list-style-type: none"> • A&G_{n-1} – Administrative and General Costs for the (n-1)th year; | I) The WPI Inflation Index for the projection of ADM&G Exp, is silent in case, WPI Inflation index is negative. | We request the Hon'ble Commission to consider actual Administrative and General Expenses incurred. |
| 28 | 98.4 | Provisioning of expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered. | We request the Hon'ble Commission to consider the Provision of Expenses also in Aggregate Revenue Requirement, as the Transmission Corporation is following Mercantile system of Accounting. | We request the Hon'ble Commission to consider the Provision of Expenses in the Aggregate Revenue Requirement, as the Transmission Corporation is following Mercantile system of Accounting. |

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|----|--------------|---|---|--|
| 29 | 100 100.1 | SLDC Charges | <p>CERC notified Connectivity and General Network Access Regulations-2022 and certain provisions such as Temporary General Network Access (T-GNA) have come into effect from 01.10.2023.</p> <p>Until now, the SLDC Operating charges for Inter-state STOA transactions are being collected at Rs.1000 per day per transaction irrespective of quantum of power as per the earlier CERC (Open Access in Inter-State Transmission) Regulation-2008, which has been repealed upon implementation of GNA Regulations-2022. The present draft regulation is specifying charges for only intra-state transactions in the form of Rs./MW/Month.</p> <p>Hence, it is requested to add a clause to determine the rate of SLDC Operating Charges in Rs. per day per transaction payable by the transmission system users for T-GNA transactions for levying on inter-state transactions.</p> | Hence, it is requested to add a clause to determine the rate of SLDC Operating Charges in Rs. per day per transaction payable by the transmission system users for T-GNA transactions for levying on inter-state transactions. |
| 30 | 101.2 | The monthly bill for SLDC Charges shall be payable within thirty days of receipt of bill. | The monthly bill for SLDC Charges shall be payable within 30 Days for Discoms and 15 Days for Open Access Consumers. | It is proposed to amend the Clause No.101.2. |


 18/12/22
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