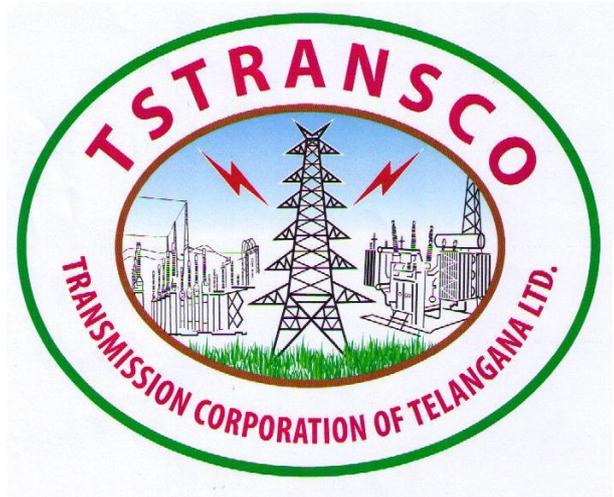


**Transmission Corporation of Telangana Limited
(State Transmission Utility)**



**Filing of Annual Performance Review (True-Up)
for SLDC Activity for FY2019-20**

March, 2021

**BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY
REGULATORY COMMISSION**

AT ITS OFFICE AT Vth FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD

FILING NO. _____/2021

CASE NO. _____/2021

In the matter of:

Filing of the Annual Performance Review for the FY 2019-20 on the SLDC Activity w.r.t. Tariff Order dated 02.03.2020 for the 4th Control Period i.e., from FY 2019-20 to FY 2023-24, read with Regulation No.1 of 2006 of APERC adopted by TSERC as per Reg.No.1 of 2014.

In the matter of:

TRANSMISSION CORPORATION OF TELANGANA LIMITED ... Applicant

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION ACCOMPANYING
FILING OF ANNUAL PERFORMANCE REVIEW**

I, D. Prabhakar Rao, S/o D. Pashupathi Rao working for gain at Transmission Corporation of Telangana Limited do solemnly affirm and say as follows:

1. I am the Chairman and Managing Director of TSTransco, the licensee company operating and controlling the Transmission Business & SLDC Activity of electricity in Telangana state pursuant to the license granted by the erstwhile Hon'ble APERC and in terms of Government of Telangana state (GoTS) orders vide G.O.Ms.No.9 dated 17-09-2014.

I am competent and duly authorized by TSTransco to affirm, swear, execute and file this affidavit in the present proceedings.

2. I have read and understood the contents of the accompanying Filing of Annual Performance Review for SLDC Activity for the FY 2019-20. The statements

Filing of Annual Performance Review for FY2019-20 of SLDC Operations of TSTRANSCO

made in the paragraphs of the accompanying application are true to my knowledge, derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

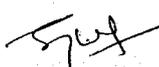
b. u. e
DEPONENT

VERIFICATION:

I, the above named Deponent solemnly affirm at Hyderabad on this 20th day of **March, 2021** 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.

b. u. e
DEPONENT

Solemnly affirmed and signed before me.


COMPANY SECRETARY
TSTRANSCO/HYDERABAD

**BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY
REGULATORY COMMISSION**

AT ITS OFFICE AT Vth FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD.

FILING NO. _____/2021

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In the matter of:

Filing of the Annual Performance Review for the FY 2019-20 on the SLDC Activity w.r.t. Tariff Order dated 02.03.2020 for the 4th Control Period i.e., from FY 2019-20 to FY 2023-24, read with Regulation No.1 of 2006 of APERC adopted by TSERC as per Reg.No.1 of 2014.

In the matter of:

TRANSMISSION CORPORATION OF TELANGANA LIMITED ... Applicant

The Applicant respectfully submits as under: -

1. TSTRANSCO filed petition pertaining to SLDC activity before Hon'ble TSERC on 30.11.2019 for determination of Annual Fee and Operating Charges for the 4thControl Period (FY 2019-20 to FY 2023-24) read with Regulation No.1 of 2006 of APERC adopted by TSERC as per Regulation No.1 of 2014.
2. Hon'ble Commission issued Tariff Order on 02.03.2020 for the Annual Fee & Operating Charges of TSSLDC for the 4th Control Period (FY 2019-20 to FY 2023-24).
3. TSERC directed TSTRANSCO to comply with the directives issued in SLDC Tariff Order.
4. As part of compliance to the directives stipulated by Hon'ble Commission in the SLDC Tariff Order, TSTRANSCO made earnest efforts to meet the objectives laid out in the directives.

5. As per the directive No.5, i.e., Annual Performance Review, the Licensee has to file the performance review (true-up) for each year of the 4th Control Period before 31st December of the following year. As a first step, the petitioner shall file the Annual Performance Review for the FY 2019-20 by 31.12.2020.
6. The licensee could not file the Annual Performance Review petition for the FY 2019-20 within the stipulated date as directed by the Commission. The reasons for the same are submitted in a separate petition with a request to condone the delay in filing the Annual Performance Review petition.
7. In compliance to the said directive, TSTRANSCO hereby submits the petition for the Annual Performance Review (True-up) of SLDC Activity for FY 2019-20 along with the information enclosed in annexures for the Hon'ble Commission's approval.
8. In the aforesaid circumstances, the applicant respectfully prays the Hon'ble commission
 - a) to take the accompanying Annual Performance Review petition along with the information enclosed in annexures.
 - b) to grant suitable opportunity to TSTRANSCO within a reasonable time frame to file additional material information if required.
 - c) to pass such order, as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

TRANSMISSION CORPORATION OF TELANGANA LIMITED
(APPLICANT)

Through


D. PRABHAKAR RAO
CHAIRMAN AND MANAGING DIRECTOR

Place: HYDERABAD

Dated: 20th March, 2021

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1 Introduction

Pursuant to the applicable provisions of the Electricity Act, 2003, the State Government shall establish a State Load Dispatch Center (SLDC). Section 31 (2) of the Act, provides that the said SLDC shall be operated by a Government Company / Authority / Corporation constituted by or under any State Act and that until such Company / Authority / Corporation is notified by the State Government, the State Transmission Utility (STU) shall operate the SLDC.

As per the provisions of Andhra Pradesh Reorganization Act, 2014, by enactment of which, Telangana State was formed as the 29th State of the Republic India on 02.06.2014, has necessitated formation of TRANSCO and SLDC for the new State, the Government of AP has created TRANSCO for Telangana to function as Transmission Utility for Telangana and incorporated under Companies Act, 2013.

The Government of Telangana, under the Section 31(1) of the EA 2003 has notified Telangana TRANSCO as the State Transmission Utility (STU) in the state vide G.O.Ms.No. 1, dated 21-06-2014. TSTRANSCO is presently carrying out solely, the Transmission & SLDC business as per the Licence No.1 of 2014 granted by the erstwhile APERC on Deemed Licence Conditions of Licensee, Transitional (Reorganization) Regulations, etc.

Under the provisions of Section 31(2) of the EA 2003, the existing SLDC was declared as deemed to have been established by the Government of Telangana vide G.O.Ms.No. 9, dated 17-09-2014 and since been operated by the State Transmission Utility (i.e., TSTRANSCO).

The Telangana SERC vide its Regulation No. 1 of 2014 has adopted previously subsisting Regulations, Decisions, Directions, or Orders, Licenses and Practice of Directions issued by the erstwhile Andhra Pradesh Electricity Regulatory Commission (Regulatory Commission for States of Andhra Pradesh and Telangana) until duly altered, repealed or amended, any of Regulation by the Commission.

Based on ARR proposals and FPT submitted by TSTRANSCO for 4th Control Period, the Hon'ble TSERC had issued order for Annual Fee and Operating Charges for SLDC for the 4th Control Period (FY 2019-20 to FY 2023-24), on 02.03.2020.

The TSERC, vide directive No.5 (Appendix-B) of the SLDC tariff order, had directed the licensee to file Annual Performance Review (True-up) for each year of the 4th Control Period by 31st December of the next financial year. As a first step, the licensee is directed to file Annual Performance Review (True-up) for FY 2019-20 by 31st December 2020.

In compliance with the Regulations and Guidelines issued by the TSERC, TSTRansco, the State Transmission Utility & Transmission Licensee managing the SLDC Activity herein submits the following in this Annual Performance Review (True-up) Petition:

- i. True Up of SLDC Accounts Analysis of Performance for FY 2019-20.
- ii. Analysis of Performance of SLDC Activity for FY 2019-20.

1. TRUE-UP FOR FY 2019-20

This Annual Performance review petition filing is made by the Transmission Licensee, TRANSMISSION CORPORATION OF TELANGANA LIMITED (TS TRANSCO) for the FY 2019-20 as per of the New Directive No.1 of Telangana Electricity Regulatory Commission (Levy and collection of fees and charges by State Load Dispatch Centre) Regulation No.1 of 2006 for variations in recovery of capital cost and operating charges over the fees and charges fixed for a year on account of variations in SLDC usage for the FY 2019-20.

The TS TRANSCO submitting the following True up filings of SLDC business for FY 2019-20 in compliance with New Directives No. 5 of SLDC Tariff Order for 4th Control Period:

- Statement of variance with the Tariff Order for each item in the Aggregate Revenue Requirement and reasons for variation.
- Actual Aggregate Revenue Requirement (ARR) for the year computed based on O&M Charges and actual interest and other costs.
- The Surplus/Deficit for the FY 2019-20 is arrived based on actual revenue for the year.

(a) Operation and Maintenance (O&M) Expenses True Up:

The O&M Expenses cover the Employees Cost, Administrative & General Expenses, Repairs & Maintenance Expenses.

Table 1: True Up: O&M Expenses (Rs. in crores.)

Particulars	FY 2019-20		
	Tariff Order	Actuals	Deviation
Employees Cost	33.08	35.58	2.50
Administration and General Exp.	2.56	0.62	-1.94
Repairs & Maintenance Exp.	0.49	0.70	0.21
Other Expenses	1.65	0.00	-1.65
Total:	37.78	36.90	-0.88

- As it could be seen from the above that, there is an overall increase of Rs.2.50 crores towards employee cost and decrease of Rs.1.94 crores towards administrative and general expenses. Hon'ble Commission had allowed Rs.1.65crores as other expenses during FY 2019-20 against a claim of Rs.19.69 crores towards revenue gap of 3rd control period. Thereby there is an overall decrease of Rs.0.88 crores in operating costs for FY 2019-20 over the approved cost as per the Tariff Order.

(b) Capital Cost True Up:

Capital Cost is a recovery towards Interest & Finance Charges and Depreciation is a claim towards replacement cost of fixed assets.

Table 2: Capital Cost: (Rs. in crores.)

Particulars	FY 2019-20		
	Tariff Order	Actuals	Deviation
Capital Cost	2.96	2.05	-0.91
Total:	2.96	2.05	-0.91

- (i) The capital cost has been worked out based on methodology prescribed vide Regulation 1 of 2006 to cover the repayment of principle and interest on actual investments made in Fixed Assets @ 11% p.a. as approved by the Hon'ble TSERC for 4th Control period (i.e FY 2019-20 to FY 2023-24).

(ii) There is a decrease of Rs.0.91 crores in Capital Cost mainly on account of lower investment than approved in Tariff Order.

(c) **Revenue:** The following is the position of Revenue during FY 2019-20:

Table 3: Revenue: (Rs. in crores.)

Particulars	FY 2019-20		
	Tariff Order	Actuals	Deviation
Revenue from SLDC Charges :			
Operating Charges	36.77	30.49	-6.28
Annual Fees	2.96	5.67	2.71
Sub-Total:	39.73	36.16	-3.57
Other Income	1.00	0.78	-0.22
Total:	40.73	36.94	-3.79

The Actual Revenue from SLDC Charges during FY 2019-20 is Rs.36.94 crores as against Rs.40.73 crores approved by the Hon'ble TSERC. There is a decrease of SLDC Operating charges of Rs.6.28 crores (After considering reversal of Regulatory Asset to the extent allowed in Tariff for FY 2019-20 of Rs.1.65 crores) and an increase in Annual Fee revenue for Rs.2.71 crores. Hence, the overall revenue has been decreased by Rs.3.79 crores. The TS TRANSCO could not able to collect the approved SLDC Operating Charges and Annual Fee for FY 2019-20 as the tariff applicable date was w.e.f 10.03.2020.

Further, there is a decrease in Other Income for Rs.0.22 crores mainly on account of decrease in SLDC Processing fees.

(d) **Aggregate Revenue Requirement (ARR) and Surplus/(Deficit):**

Table 4: ARR Deviation – (Tariff Order vis-à-vis Actual): (Rs. in crores.)

Particulars	FY 2019-20		
	Tariff Order	Actuals	Deviation
Total Expenditure	40.74	38.95	-1.79
Revenue from SLDC Charges :	40.73	36.94	-3.79
Surplus/(Deficit)	-0.01	-2.01	-2.00

The Total Aggregate Revenue Requirement (ARR) approved by Hon'ble TSERC for FY 2019-20 is Rs.40.74 crores, as against which actual revenue earned is Rs.36.94 crores only, results in decrease of revenue by Rs.3.79 crores. Further, there is a decrease in total expenditure over tariff order of Rs.1.79 crores over the approved ARR of Rs.40.74 crores, which resulted to a total deficit of Rs.2.01crores (including claim of Rs.1.65 crores allowed in Tariff Order for FY 2019-20 towards special appropriation pertaining to 3rd Control period by Hon'ble TSERC).

In view of the above, the Hon'ble TSERC is requested to consider the facts and allow SLDC to claim the deficit amount of Rs.2.01 crores towards operating charges.

2. Status of progress of Works during FY 2019-20

A write up of works completed and on-going works of SLDC is given below.

1. Creation of Backup SLDC:

POSOCO suggested to go for unified Replacement/Upgradation of SCADA systems in Southern Region for Main and Back-up SLDC, after getting management approval, vide Lr dt.13.11.2020. It was requested to M/s.PGCIL to cancel the tendering process and initiate closer of agreement entered on 23.01.2019 & supplementary agreement on 10.02.2020. Further, it is also requested to refund 10% advance payment on consultancy charges which was made to M/s.PGCIL

Status: put on hold.

2. Construction of backup SLDC:

As establishment of back-up SLDC is put on hold, Management instructed to either halt construction of building or go for basis shell only.

Status:

SLDC recommended for construction of basis shell with due approval from management. The file is under process.

3. Meeting Hall & Video Conference rooms:

Status : Proposal is kept on hold temporarily.

4. Automatic Generation Control (AGC):

TSGENCO initiated procurement of Siemens Analog output cards for KTS-VI. However, the material procurement is delayed due to covid pandemic. Once, the cards are procured necessary integration, testing & commissioning will be initiated at SLDC with existing SCADA System on trial basis. If the SCADA System doesn't fulfill the functionality desired AGC procurement at SLDC will be initiated.

Status : works under progress.

5. SAMAST AMR Projects:

Awaiting for PSDF Sanction.

Status : Not yet started.

6. Telecom equipments for back up SLDC:

Procurement for back-up SLDC is put on hold as per suggestion of POSOCO.

Status : Put on hold.

7. Telecom equipments for REMC Project:

Procurement for REMC is being initiated.

Status: Expected to be completed by 31.03.2021.

4. Summary

Table 5: Summary – Annual Performance of SLDC for FY 2019-20

Sl. No.	Description	Unit	Value
i	Employees Cost	(Rs. Cr.)	35.58
ii	Administration and General Exp.	(Rs. Cr.)	0.61
iii	Repairs & Maintenance Exp.	(Rs. Cr.)	0.70
A	Total O&M Cost (i+ii+iii)	(Rs. Cr.)	36.89
B	Capital Cost	(Rs. Cr.)	2..94
(I)	Total Expenditure(A+B)	(Rs. Cr.)	39.83
a	Revenue from Operating Charges	(Rs. Cr.)	32.14
b	Revenue from Annual Fees	(Rs. Cr.)	5.67
c	Other Income	(Rs. Cr.)	0.78
(II)	Total Revenue(a+b+c)	(Rs. Cr.)	38.59
	Revenue: (+) Surplus / (-) deficit (II) - (I)	(Rs. Cr.)	-1.24
	Contracted Capacity	(MW)	15672.73

ANNEXURE – A: LIST OF DIRECTIVES

I. No.	Directive	Subject of Directive	Status/ Action Taken Report
1	Details of Completed Capital Works	The Commission directs the Petitioner to submit the details of completed capital works pertaining to SLDC operations along with Project Completion Certificate (PCC) and Financial Completion Certificate (FCC) as is being done for transmission projects. The Commission also directs the Petitioner to file a monthly report with the Commission on progress in capital works pertaining to SLDC operations by 25 th of every month relating to the previous month.	Complied with.
2	Details of Actual Costs and Revenue	The Commission directs the Petitioner to file the actual costs and revenues by 25 th of every month relating to previous month in the format prescribed for this purpose by the Commission. The Commission also directs the Petitioner to state its own observations on cost, revenue and capacities along with the monthly report.	Complied with.
3	Proposal for Determining Norms of O&M Expenses	The Commission directs the Petitioner to submit the proposal for determining the norms of O&M expenses in accordance with Regulation No. 1 of 2006 by 30.06.2020.	Complied with.
4	Optimum Utilisation of SLDC Assets	The Commission directs the Petitioner to make needful study and send the proposal for approval regarding the optimum utilisation of SLDC assets by engaging in other business activity and amount of financial gains to be accrued on account of the above.	Complied with.
5	Annual Performance Review	The Commission directs the Petitioner to file the Performance Review (true-up) for each year of the 4 th Control Period before 31 st December of the following year. As a first step, the Petitioner shall file the Annual Performance Review for FY 2019-20 by 31.12.2020.	Complied with.

ANNEXURE: B TSSLDC Contract Capacities in MW for FY 2019-20 *

TSSLDC - Contract Capacities in MW for FY 2019-20 (Actuals as on 31.03.2020)				
Generating station/ source	Installed Capacity (MW)	Net Capacity TS Share	2019-20	
			SPDCL	NPDCL
KTPS-A	180	162.00	114.29	47.71
KTPS-B	120	108.00	76.19	31.81
KTPS-C	120	108.00	76.19	31.81
RTS-B	62.5	56.25	39.68	16.57
KTPS-D (V)	500	455.00	321.00	134.00
KTPS-VI	500	462.50	326.30	136.20
KTPS-VII	800	758.00	534.77	223.23
KTPP-I	500	462.50	326.30	136.20
KTPP-II	600	558.00	393.67	164.33
Total Thermal	3382.5	3130.25	2208.40	921.85
Total Thermal as on 31.03.2020 *	2962.5	3130.25	2208.40	921.85
Hydel				
NSPH	815.6	807.44	569.65	237.79
NSLCPH	60	59.40	41.91	17.49
Pochampad-PH	36	35.64	25.14	10.50
Nizamsagar-PH	10	9.90	6.98	2.92
Singur	15	14.85	10.48	4.37
SSLM-LBPH	900	889.20	627.33	261.87
Priyadarshini-Jurala	234	115.83	81.72	34.11
Lower-Jurala	240	237.60	167.63	69.97
Pulichintala	120	118.80	83.81	34.99
Mini Hydel (Peddapalli)	9.16	9.07	6.40	2.67
Mini Hydel (Palair)	2	1.98	1.40	0.58
Total Hydro	2441.76	2299.71	1622.45	677.26
Total Genco		5429.96	3830.85	1599.11
Interstate Hydel Projects				
Machkund PH	84	44.82	31.62	13.20
Tungabhadra PH & Hampi	57.6	30.73	21.68	9.05
Total IS Hydel	141.6	75.55	53.30	22.25
CGS				
NTPC(SR)-Ramagundam-1-2	2100	321.16	226.58	94.58
NTPC(SR)-Ramagundam-3	500	81.29	57.35	23.94
NTPC Talcher-stage-2	2000	201.03	141.83	59.20
NLC-Stage-I	630	53.90	38.03	15.87
NLC-Stage-II	840	96.34	67.97	28.37
NPC-MAPS	440	20.45	14.43	6.02
NPCIL-Kaiga-Unit 1&2	440	63.30	44.66	18.64
NPCIL-Kaiga-Unit 3&4	440	67.16	47.38	19.78
NTPC-Simhadri-I	1000	507.91	358.33	149.58
NTPC-Simhadri-II	1000	218.00	153.80	64.20

TSTRANSCO Contract Capacities in MW for the 4th Control period (FY 2019-20 to 2023-24)				
Generating station/ source	Installed Capacity (MW)	Net Capacity TS Share	2019-20	
			SPDCL	NPDCCL
NTECL Vallur	1500	103.23	72.83	30.40
NLC Tamilnadu (Tuticorn) (NTPL)	1000	144.11	101.67	42.44
NTPC Kudgi-I & II	2400	254.70	179.69	75.01
KKNPP (Kudankulam Nuclear)	1000	46.10	32.52	13.58
NCE-Bundled power NVVNL ph 1	85	43.00	30.34	12.66
NCE-Bundled power NTPC Coal	200	414.00	292.08	121.92
Neyveli New Unit-1	500	29.13	20.55	8.58
<i>Neyveli New Unit-2</i>			0.00	0.00
<i>NLC-TPS - II 2nd expansion</i>			0.00	0.00
<i>Telangana STPP (phase 1)</i>			0.00	0.00
Total CGS	16075	2664.81	1880.03	784.78
Joint Sector				
APGPCL-I	100	6.47	4.56	1.91
APGPCL-II	172	17.30	12.21	5.09
Total Joint Sector	272	23.77	16.77	7.00
Others				
Vemagiri	370	193.03	136.18	56.85
GVK Extension	220	115.43	81.44	33.99
Gautami	464	242.50	171.08	71.42
Konaseema	444	231.83	163.56	68.27
Thermal-Power-Tech (Unit - I)	660	269.45	190.10	79.35
Thermal-Power-Tech (Unit - II)	660	570.00	402.14	167.86
Singareni-TPP Stage – I	1200	1131.00	797.92	333.08
Chhattisgarh-Power	1000	948.00	668.82	279.18
Total Others	5018	3701.24	2611.24	1090.00
NCE#				
Bio-Mass	42.00	42.00	18.00	24.00
Bagasse	54.20	54.20	15.00	39.20
Industrial-Waste	15.00	15.00	7.50	7.50
MSW	19.80	19.80	19.80	0.00
Wind Power	100.80	100.80	100.80	0.00
Mini-Hydel	7.55	7.55	1.55	6.00
Solar	3243.74	3243.74	2302.74	941.00
Solar ISTS	45.81	45.81	32.32	13.49
Total NCE	3528.90	3528.90	2497.71	1031.19
Discom Total		15424.23	10889.90	4534.33
Open Access (Total)		248.50	204.71	43.79
Grand Total Contractual Capacity		15672.73	11094.61	4578.12

* TSSLDC Contract Capacities in MW for FY 2019-20 as on 31.03.2020.

The contracted capacities of NCE generators pertaining to TS/NPDCL connected at 33 kV level and above are tabulated.

Note: KTPS-A,B,C phased out during 2019-20.