



Telangana State Electricity Regulatory Commission
5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

ORDER

ON

**ANNUAL PERFORMANCE REVIEW/TRUE-UP OF
STATE LOAD DESPATCH CENTRE**

FOR FY 2021-22

FOR

**TRANSMISSION CORPORATION OF TELANGANA LIMITED
(TSTransco)**

23.05.2023

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List of Abbreviations

A&G	Administrative and General
AGC	Automatic Generation Control
AMC	Annual Maintenance Contract
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
DA	Dearness Allowance
EHT	Extra High Tension
FY	Financial Year
GoTS	Government of Telangana State
MW	Mega-Watt
MYT	Multi Year Tariff
O&M	Operation and Maintenance
O.P.	Original Petition
OFC	Optical Fibre Cable
NCE	Non-Conventional Energy
PGCIL	Power Grid Corporation of India Limited
PSDF	Power System Development Fund
PSU	Power Supply Unit
R&M	Repairs and Maintenance
REMC	Renewable Energy Management Centres
Rs.	Rupees
RTU	Remote Terminal Units
SAMAST	Scheduling, Accounting, Metering and Settlement of Transactions in electricity
SLDC	State Load Dispatch Centre
STU	State Transmission Utility
TSERC	Telangana State Electricity Regulatory Commission
TSTransco	Transmission Corporation of Telangana Limited



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

O.P.No.2 of 2023

Dated 23.05.2023

Present

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

Transmission Corporation of Telangana Limited

... Applicant

The Transmission Corporation of Telangana Limited ("TSTransco") filed a Petition on 29.12.2022 for Annual Performance Review (APR) for FY 2021-22 for its SLDC Activity in accordance with the directions given in Order dated 02.03.2020 on Annual Fee and Operating Charges for State Load Despatch Centre for 4th control period (FY 2019-20 to FY 2023-24) read with Regulation No.1 of 2006 as adopted by TSERC in its Regulation No.1 of 2014.

The Petition having been taken on file, and having considered objections/suggestions of the stakeholders, issues that are raised during the Public Hearing held on 27.02.2023, responses of the Applicant, and all other relevant material, passed the following:

ORDER

Chapter-1
INTRODUCTION

1.1 BACKGROUND

- 1.1.1 Section 31(1) and 31(2) of the Electricity Act, 2003 (Act) provides that the State Government shall establish a State Load Despatch Centre (SLDC) and such SLDC shall be operated by a Government Company or any authority or corporation established or constituted by or under any State Act, as may be

notified by the State Government. The Government of Telangana (GoTS) vide G.O.Ms.No.9 Energy (Budget) Department, dated 17.09.2014 notified to declare existing SLDC as deemed to have been established by Government of Telangana under Section 31(1) of the Electricity Act, 2003 and since been operated by Transmission Corporation of Telangana Limited (TSTransco), which has been notified as the State Transmission Utility (STU) vide G.O.Ms.No.1, dated 21.06.2014. TSTransco is presently carrying out solely, the Transmission business and SLDC activity as per the Licence No.1 of 2014 granted by the erstwhile APERC on Deemed Licence Conditions of Licensee, Transitional (Reorganisation) Regulations, etc.

1.1.2 The Commission in its Order dated 02.03.2020 in O.P.No.2 of 2019 on Annual Fee and Operating Charges for State Load Despatch Centre for 4th control period (FY 2019-20 to FY 2023-24) had given directions to the Applicant herein to submit Annual Performance Review (APR) for each year of 4th control period before 31st December of the following year.

1.1.3 In compliance to the said directive, the Applicant (TSTransco) has filed this Petition on 29.12.2022 for APR for its SLDC Activity for FY 2021-22 with the following prayer to -

- a) Take the accompanying petition on Annual Performance Review (True up) for the FY 2021-22 for SLDC Activity on record.
- b) Allow the depreciation to recover the same from the Generators on monthly basis.
- c) Consider the following to incur the capital investments towards Capacity building/upgradation of SLDC on regular basis:
 - i) To create a separate fund namely "*LDC Development Fund*" for administering capital expenditure/creation of new Assets towards capacity building of SLDC out of depreciation under Annual Charges and registration fee as per Clause 27 of CERC Regulations, 2019 (FEE and Charges for RLDCs); and
 - ii) To deposit other income such as processing Fee, Surcharge, etc., into separate account namely "*Contingency Reserve*" as per Clause 28 of CERC Regulations, 2019 (Fee and Charges for

RLDCs) to enable to meet the shortfall amount of annual charges allowed by the Commission;

- d) Admit the Surplus amount of Rs.1.65 crore for FY 2021-22.
- e) Grant suitable opportunity to TSTransco within a reasonable timeframe to file additional material information, if required.
- f) Consider the facts and circumstances of the present petition and pass an appropriate order.

1.2 ADMISSION OF PETITION AND REGULATORY PROCESS

- 1.2.1 The Petition was found to be generally in order as required under the TSERC (Conduct of Business) Regulations, 2015 (Regulation No.2 of 2015), the same was admitted, and the original petition has been taken on record by assigning O.P.No.2 of 2023.

1.3 DATA GAPS AND APPLICANT'S RESPONSES

- 1.3.1 During scrutiny, the filings of the Applicant, certain information were found to be deficient in certain aspects. Subsequently, the Applicant submitted the additional information as sought by the Commission. The Commission has considered the original filings and the additional information submitted by the Applicant.

1.4 PUBLIC NOTICE

- 1.4.1 The Applicant, as directed by the Commission, issued a Public Notice on 07.01.2023 (**Annexure-I**) in two (2) English, two (2) Telugu and One (1) Urdu daily newspapers, informing the stakeholders and general public in large that the Applicant has filed the Petition for APR for its SLDC Activity for FY 2021-22 before the Commission and inviting objections/suggestions on the filings of the Applicant from all the stakeholders and general public at large on or before 09.02.2023 by 5 pm and also informing that in this regard the Commission shall conduct a Public Hearing on 27.02.2023 from 11:00 hours onwards. The filings along with supporting material have been made available by the Applicant to the public at large including all stakeholders. The Public Notice, filings and supporting material were also hosted on the websites of the Applicant as well as the Commission.

1.5 RESPONSE TO PUBLIC NOTICE

1.5.1 In response to the Public Notice, objections/suggestions were received from One (1) stakeholder. The details of stakeholder who submitted objections/suggestions is enclosed as **Annexure-II**.

1.5.2 The Applicant was directed to give its response in writing to all the written objections received, by 16.02.2022 by sending the same to the respective objector with a copy to the Commission before the scheduled date of Public Hearing. The replies were also posted on the website of the Commission.

1.6 PUBLIC HEARING

1.6.1 The Commission has conducted Public Hearing on 27.02.2022. During the Hearing, the Applicant made a brief presentation on the filings and then the Commission heard the stakeholders desiring to be heard. The details of stakeholder who attended the Public Hearing is enclosed at **Annexure-III**.

Chapter-2 SUMMARY OF FILINGS

2.1 APR FOR FY 2021-22

2.1.1 In compliance to the Directive No.5 in Order dated 02.03.2020 on Annual Fee and Operating Charges for State Load Despatch Centre for 4th control period (FY 2019-20 to FY 2023-24) in O.P.No.2 of 2019, TSTransco has filed the following in the Annual Performance Review (APR) Petition on 29.12.2022 for FY 2021-22:

- a) True-up for FY 2021-22;
- b) Analysis of Performance of SLDC activity for FY 2021-22;

2.2 TRUE-UP FOR FY 2021-22

2.2.1 The TSTransco has submitted the following True-up filings of SLDC activity for FY 2021-22:

- Statement of variance with the Tariff Order for each item in the Aggregate Revenue Requirement (ARR) and reasons for variation;
- Actual ARR for the year computed based on O&M charges and actual interest and other costs;
- The Surplus/Deficit for FY 2021-22 arrived based on actual revenue for the year.

2.2.2 **Operation & Maintenance (O&M) Expenses**: The O&M expenses which cover the Employee Cost, Administrative & General (A&G) Expenses and Repairs & Maintenance (R&M) Expenses for FY 2021-22 claimed by the Applicant is as shown in Table below:

Table 2.1: O&M Expenses claimed by the Applicant

<i>Rs. in crore</i>			
Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Deviation
Employee Cost	35.44	42.46	7.02
A&G Expenses	2.74	0.43	-2.31
R&M Expenses	0.52	1.13	0.61
Other Expenses	7.91	1.82	-6.09
Total	46.61	45.85	-0.76

2.2.3 The Applicant has also furnished the following reasons for the deviations in the claimed expenses for FY 2021-22 from the approved values for FY 2021-22 by the Commission in MYT Order for SLDC Activity dated 02.03.2020.

- i) Increase in employee cost is due to DA and Annual Grade Increments.
- ii) There is normal increase in actual A&G expenses compared to previous year actuals.

- iii) Increase in actual R&M expenses is due to increase in consumption of O&M material and increase in R&M of IT & Software expenses.
- iv) The Commission had allowed Special Appropriation amount of Rs.7.91 crore under Other Expenses for FY 2021-22. Out of which, Applicant has made a reversal entry for an amount of Rs.6.09 crore which is already claimed in 3rd control period. The balance amount of Rs.1.82 crore is adjusted in the current financial year.

2.2.4 **Capital Cost:** Capital Cost is a recovery towards interest & finance charges and depreciation is a claim towards replacement of cost of fixed assets. The Capital Cost for FY 2021-22 claimed by the Applicant is as shown in Table below:

Table 2.2: Capital Cost claimed by the Applicant

Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Rs. in crore
			Deviation
Capital Cost	6.17	1.33	-4.84

2.2.5 Applicant submitted that as per CERC Notification No.L-1/153/2019/CERC, dated 26.02.2019, vide clause 18 of CERC (Fees and Charges for RLDCs) Regulations, 2019 the Annual Charges of any Load Despatch Centre consists of following:

- a) Return on Equity;
- b) The Interest on Loan Capital;
- c) Depreciation;
- d) O&M Cost (excluding HRD expenses);
- e) Human Resource Expenses (employee cost);
- f) Corporate Office Expenses
- g) Interest on Working Capital;

2.2.6 Applicant submitted to allow the depreciation to recover the same from the Generators on monthly-basis.

2.2.7 Applicant further submitted to consider the following to incur the capital investments towards Capacity building/Upgradation of TSSLDC on regular basis:

- i) To create a separate fund viz., “**LDC Development Fund**” for administering capital expenditure/creation of new Assets towards capacity building of TSSLDC out of depreciation under Annual Charges and registration fee as per Clause 27 of CERC (Fee and Charges for RLDCs) Regulations, 2019; and
- ii) To deposit other income such as processing Fee, Surcharge, etc., into separate account viz., “**Contingency Reserve**” as per Clause 29 of

CERC (Fee and Charges for RLDCs) Regulations, 2019 to meet the shortfall amount of annual charges allowed by the Commission;

2.2.8 **Revenue:** The Revenue for FY 2021-22 claimed by the Applicant is as shown in the Table below:

Table 2.3: Revenue from SLDC Charges as claimed by the Applicant

Rs. in crore

Particulars	Approved in MYT Order	Claimed	Deviation
Operating Charges	45.62	47.79	2.17
Less: Adjustment of Special Appropriation amount allowed under other expenses (Rs.7.91 crore – Rs.1.82 crore)		-6.09	-6.09
Add: Annual Fees	6.17	6.16	-0.01
Sub-Total	51.79	47.86	-3.93
Other Income	1.00	0.98	-0.02
Total	52.79	48.84	-3.95

The decrease of Rs.3.95 crore in Revenue for FY 2021-22 is only due to adjustment of Rs.6.09 crore towards true-up pertaining to 3rd control period as allowed by the Commission in FY 2021-22.

2.2.5 **Aggregate Revenue Requirement (ARR) and Surplus/(Deficit):** The ARR and Surplus/(Deficit) claimed by the Applicant for FY 2021-22 is as shown in Table below:

Table 2.4: Revenue Surplus/(Deficit) claimed by the Applicant

Rs. in crore

Particular	Approved in MYT Order	Claimed	Deviation
Total Expenditure	52.78	47.18	-5.60
Total Revenue from SLDC charges	52.79	48.84	-3.95
Surplus/(Deficit)	0.01	1.66	1.65

2.3 STATUS OF WORKS DURING FY 2021-22

2.3.1 The present status of Capital Works at TSSLDC is detailed in table below:

Table 2.5: Present Status of Capital Works at TSSLDC

Sl. No.	Capital Works	Present Status
1	Creation of Backup TSSLDC	Unified Replacement/Upgradation of SCADA systems in Southern Region for Main and Back-up TSSLDC is taken up with proposed commissioning by 2024. BoQ, System Sizing documents, etc., are communicated to SRLDC for obtaining the budgetary quote for the unified SCADA Upgradation project. Tending

Sl. No.	Capital Works	Present Status
		process will be started by SRLDC & NOA is expected to be issued in January 2023.
2	Construction of Backup TSSLDC	In order to meet the commissioning timelines by 2024, construction process of Back-up TSSLDC building at Warangal is initiated.
3	Meeting hall & video conference rooms	Proposal put on hold.
4	AGC	All the functionalities of AGC couldn't be achieved with existing infrastructure. Hence, detailed project report (DPR) is under preparation of obtaining OSDF funding.
5	Project (SAMAST AMR)	PSDF sanction accorded. Documents for availing first instalment (10%) of PSDF grant to be submitted.
6	Telecom Equipment for Backup TSSLDC & REMC Project	Telecom equipment procurement for REMC is under progress. Required Telecom equipment for Back-up TSSLDC will be initiated after finalization of Backup TSSLDC SCADA system.

2.3.2 The details of completed works and Works under is detailed in table below:

Table 2.6: Details of Completed Works and Works Under Progress

Sl. No.	Capital Works	Particulars
a)	Procurement of HD-Video Camera and Table top Microphones for TSSLDC, Vidyut Soudha	The TSSLDC Video-Conference (VC) equipment which were earlier supplied by M/s GE (earlier M/s Alstom) and commissioned in the year 2015 has reached its end of its useful life and currently not functioning. Amidst COVID-19 pandemic most of the meetings are happening on web-based audio-visual platforms. As such, it is very essential to upgrade the existing VC accessories. Accordingly, procurement of HD-Video Camera and Table Top microphones was taken up.
b)	Procurement of furniture for TSSLDC	For replacement of old and obsolete furniture in various wings of TSSLDC.
c)	Purchase of 3 Nos, 3.8 TR Tower Air Conditioners	Since additional 4Nos REMC panels were accommodated in the server room, three (3), numbers 3.8 TR Tower Air Conditioners were procured.
d)	Procurement of Fortinet Firewalls	To reduce the risk of cyber-attacks and to avoid internal & external threats two (2) numbers Fortinet Firewalls were procured.

Sl. No.	Capital Works	Particulars
e)	Telecom Works completed during FY 2021-22	Procurement of Voice logger for providing Voice recording facility to all phone numbers working in TSSLDC for monitoring the TSSLDC operations. Procurement of SDH & PDH equipment for establishment of fiber optic communication system for Central Sector project of Southern Region. Procured two (2) numbers Tower ACs in the Communication room housing sophisticated communication equipment such as OLTEs, multiplexers, networking equipment and exchanges for transmitting data from all substations and generating station of Telangana State to TSSLDC.

2.4 SUMMARY OF ANNUAL PERFORMANCE OF SLDC FOR FY 2021-22

2.4.1 Summary of Annual Performance of SLDC for FY 2021-22 is as given below:

Table 2.7: Summary of TSSLDC APR for FY 2021-22

		Rs.in crore
Sl. No.	Description	Amount
i	Employee cost	42.46
ii	Administration & General (A&G) Expenses	0.43
iii	Repairs & Maintenance (R&M) Expenses	1.13
iv	Other Expenses (Special Appropriations allowed)	1.82
A	Total O&M Expenses (i+ii+iii+iv)	45.85
B	Capital Cost	1.33
(I)	Total Expenditure (A+B)	47.18
a	Revenue from Operating Charges	47.79
b	Less: Special Appropriation of Amount Allowed under Other Expenses	-6.09
c	Revenue from Annual Fees	6.16
d	Other Income	0.98
(II)	Total Revenue (a+b+c+d)	48.84
	Surplus/(deficit) (II)-(I)	1.66
	Contracted Capacity for FY 2021-22 (in MW)	16521.72

Chapter-3

Issues raised by Stakeholder, Responses of Applicant and Commission's View

3.1 OBJECTIONS/SUGGESTIONS MADE ON FILINGS

- 3.1.1 One (1) stakeholder has filed objections/suggestions on the Petition for APR of SLDC activity for FY 2021-22. The Applicant has filed replies on the objections/suggestions received from the stakeholder. For the sake of brevity, the objections/suggestions raised by the stakeholder and responses of the Applicant have been consolidated and summarised issue-wise. The Commission has concluded all the objections/suggestions of the stakeholder made in writing as well as during the course of Public Hearing and the responses to them by the Applicant. In the subsequent Chapters of this Order, the Commission has taken into consideration, the objections/suggestions of the stakeholder and replies of the Applicant for analysis and conclusion on APR for FY 2021-22.

3.2 REVENUE SURPLUS OF RS.1.65 CRORE FOR FY 2021-22

Stakeholders' Submissions

- 3.2.1 TSSLDC has shown Aggregate Revenue Requirement (ARR) surplus of Rs.1.65 crore for FY 2021-22. Despite increase in employee cost by Rs.7.02 crore, TSSLDC has shown lesser O&M expenditure by Rs.4.84 crore. It has explained that the Commission had allowed special appropriation of Rs.7.91 crore under Other Expenses for FY 2021-22 against a claim for 3rd control period out of which TSSLDC has made reversal entry for an amount of Rs.6.09 crore which is already claimed in 3rd control period. The balance amount of Rs.1.82 crore allowed by the Commission is adjusted in the current financial year. In other words, despite increase in other expenditure, it is shown as lesser expenditure by adjusting the excess amount claimed by the utility and allowed by the Commission under the said special appropriation. It shows a need for better prudence check.

Applicant's Response

- 3.2.2 It is submission to the Commission.

Commission's View

- 3.2.3 The Commission has approved expenses and revenue of the Applicant considering the actuals as per audited accounts for FY 2021-22 after prudence check in accordance with the provisions of the Regulation No.1 of 2006 as detailed in Chapter-4 of this Order.

3.3 CONTRACTED CAPACITY

Stakeholders' Submissions

- 3.3.1 While TSTransco has shown a contracted capacity of 15,250.69 MW, including open access capacity of 99.52 MW, whereas TSSLDC has shown its contracted capacity as 16,521.72 MW, including 314.70 MW for open access.

Applicant's Response

- 3.3.2 Transmission charges of TSTransco are computed based on EHT levels (i.e., 132 kV & above) contracts while the TSSLDC operating charges are levied for contracts at all voltages (11 kV & above) of the consumers/3rd part PA/ISTS connected to the Grid.

Commission's View

- 3.3.3 The Commission has taken note of the stakeholders' submission and replies of the Applicant.

3.4 IMPACT OF DELAY IN EXECUTION OF WORKS

Stakeholders' Submissions

- 3.4.1 TSDiscoms have to explain the impact of delay, if any, in execution of works for creating contracted transmission capacity, as they have been paying transmission charges as determined in the MYT order and collecting the same from the consumers as a part and parcel of retail tariffs. TSDiscoms have to explain whether they had sought rescheduling of completion of addition of transmission capacity to be added as per schedules in view of delay in execution and operationalization of LI schemes and generation plants from which they draw power and the impact thereof.

Applicant's Response

- 3.4.2 It is submission to the Commission.

Reply of TSDISCOMs

- 3.4.3 TSDISCOMs have not sought for any rescheduling of addition of transmission capacity till date.

Commission's View

- 3.4.4 The Commission takes note of the stakeholders' submission and reply submitted by TSDISCOMs. The Commission while determining the capital cost or tariff based on prudence check shall scrutinize the reasonableness of the capital expenditure, financing plan, IDC, use of efficient technology, cost overrun due to delay in execution of the project, time overrun, and such other matters as considered appropriate.



Chapter-4

ANALYSIS AND CONCLUSIONS ON APR FOR FY 2021-22

4.1 REGULATORY PROVISIONS

- 4.1.1 TSTransco has submitted the Petition for APR for SLDC activity for FY 2021-22 in accordance with the directions given in Order dated 02.03.2020 on Annual Fee and Operating Charges for State Load Despatch Centre for 4th control period (FY 2019-20 to FY 2023-24).
- 4.1.2 The clause 4.7 of Regulation No.1 of 2006 stipulates that “variations in recovery of capital cost and operating charges over the charges fixed for a year on account of variations in SLDC usage shall be adjusted in the subsequent control period, or earlier in case the variations are considered to be significant by the Commission warranting adjustment thereof before the commencement of the subsequent control period, with financing cost at the average rate(s) of borrowing during the year(s) to which the variations relate.”
- 4.1.3 The clause 5 of the Regulation No.5 of 2005 stipulates that till such time as there is complete segregation of accounts between SLDC activity and Transmission Business, the Transmission Licensee shall apportion its costs on the basis of an Allocation Statement.
- 4.1.4 TSTransco has submitted its audited accounts for FY 2021-22 along with the Allocation Statement segregating its actual expenses and revenue between Transmission business and SLDC activity for FY 2021-22.

4.2 CAPITAL COST

Applicant's Submissions

- 4.2.1 Capital Cost is a recovery towards interest & financial charges whereas, depreciation is a claim towards replacement cost of fixed assets. The applicant has claimed depreciation on fixed assets amounting to Rs.1.33 crore as Capital Cost for the year as per CERC norms and requested the Commission to consider and allow the same as Capital Cost to be recovered by way of Annual Fee for funding of its investments since, the Applicant has not availed any loans during the year.
- 4.2.2 The Applicant submitted that the capital expenditure for FY 2021-22 was met from the Applicant's Transmission Business. The Applicant further submitted

that SLDC Activity is running with no profit and no loss and hence there are no funds available to finance its investments.

Commission's View

- 4.2.3 The Applicant submitted that Capital Cost is a recovery towards Interest & Finance Charges and Depreciation is a claim towards replacement cost of fixed assets. As per CERC Notification No.L-1/153/2019/CERC, dated: 26.02.2019, vide Regulation (Fees and Charges for RLDCs), clause 18 , requested to allow the depreciation to recover the same from the Generators on monthly basis.
- 4.2.4 Further, the Commission is not inclined to accept the proposal of the Applicant for creation of a separate fund viz., **"LDC Development Fund"** and to deposit other income such as processing Fee, Surcharge, etc., into separate account viz., **"Contingency Reserve"** as TSSLDC is not maintaining separate books of accounts.
- 4.2.5 The clause 4.3 of the Regulation No.1 of 2006 stipulates that the Capital Cost shall cover the repayment of principal amount and payment of interest on investments in a year, plus any residual component of past investments. Since, the Applicant has not availed loan during FY 2021-22 and there are no past loans, therefore, the Commission is of the view that Capital Cost should not be allowed in FY 2021-22.
- 4.2.6 The Capital Cost approved by the Commission for FY 2021-22 has been summarised in the Table below:

Table 4.1: Capital Cost approved by the Commission

Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Rs. in crore
			Approved
Capital Cost	6.17	1.33	0.00

4.3 OPERATING EXPENSES

Applicant's Submissions

- 4.3.1 The Operation and Maintenance (O&M) expenses comprise of (i) Employee cost, (ii) A&G expenses and (iii) R&M expenses. In addition to O&M expenses, the Commission had allowed Rs.7.91 crore as other expenses towards recovery of approved revenue gap of 3rd control period. The Applicant has made a reversal entry for an amount of Rs.6.09 crore which is already claimed in 3rd control period. Balance amount of Rs.1.82 crore is adjusted in the current

financial year. The Applicant has claimed the O&M expenses of Rs.45.85 crore as against approved expenses of Rs.46.61 crore for FY 2021-22 as shown in the Table below:

Table 4.2: O&M Expenses as claimed for FY 2021-22

<i>Rs. in crore</i>			
Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Deviation
Employee cost	35.44	42.46	7.02
A&G expenses	2.74	0.43	-2.31
R&M expenses	0.52	1.13	0.61
Total	38.71	44.03	5.31

- 4.3.2 There is an overall increase of Rs.7.02 crore in employee cost due to normal increase of DA and Annual Grade Increments when compared to the previous year actuals. There is a decrease of Rs.2.31 crore in A&G expenses mainly due to COVID-19 pandemic.

Commission's View

- 4.3.3 The Applicant submitted that the increase in employee cost of FY 2021-22 in comparison to that of actuals is on account of annual grade increments and dearness allowance. The Applicant also submitted the item wise comparison of employee cost actuals for FY 2021-22.
- 4.3.4 The Commission observed that the A&G expenses as per the audited accounts is Rs.0.43 crore and the same is claimed by the Applicant for FY 2021-22.
- 4.3.5 The Commission has approved the O&M expenses considering the provisions of Regulation No.1 of 2006 based on the audited accounts for FY 2021-22.
- 4.3.6 The Applicant has claimed the Non-Tariff Income (NTI) of Rs.0.98 crore as against the approved NTI of Rs.1.00 crore, as per the audited accounts. The claimed NTI comprises of processing fee, registration fee and surcharge amounting to Rs.0.96 crore, Rs.0.01 crore and Rs.0.01 crore respectively. The Commission has considered the actual NTI as per the audited accounts.
- 4.3.7 The operating expenses approved is given in Table below:

Table 4.3: Operating Expenses approved by the Commission

<i>Rs. in crore</i>			
Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Approved
O&M expenses	38.71	44.03	44.03
Employee Cost	35.44	42.46	42.46

Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Approved
A&G expenses	2.74	0.43	0.43
R&M expenses	0.52	1.13	1.13
Other expenses	7.91	1.82	1.82
Less: Non-Tariff Income	1.00	0.98	0.98
Operating expenses	45.62	44.87	44.87

4.4 EXPENDITURE SIDE SUMMARY

Commission's View

- 4.4.1 Based on the above analysis, the total expenditure approved is as shown in Table below:

Table 4.4: Expenditure Side Summary

Particulars	Approved in MYT Order dated 02.03.2020	Claimed	Rs. in crore
			Approved
Capital cost	6.17	1.33	0.00
Operating expenses	45.62	44.87	44.87
Total	51.79	46.20	44.87

4.5 REVENUE SIDE TRUE-UP

Applicant's Submissions

- 4.5.1 The Applicant has claimed the revenue from Operating charges and Annual Fee of Rs.47.79 crore and Rs.0.07 crore respectively totalling to Rs.47.86 crore.

Commission's View

- 4.5.2 The Commission on prudence check and based on annual accounts has considered the actual revenue from SLDC Charges i.e., Operating charges and Annual Fee of Rs.42.68 crore and Rs.6.16 crore respectively for FY 2021-22.

4.6 SUMMARY OF TRUE-UP

Commission's View

- 4.6.1 Based on the above analysis, the summary of True-up for FY 2021-22 is as shown in the Table below:

Table 4.5: True-up as claimed and approved for FY 2021-22

Particulars	Claimed	Approved	Rs. in crore
Total Expenditure	46.20	44.87	
Total Revenue	47.86	48.84	
Gap/(Surplus)	(1.66)	(3.97)	

4.6.2 Due to the above changes, the revenue surplus approved by the Commission is Rs.3.97 crore as against a claim of Rs.1.66 crore.

4.7 RECOVERY OF REVENUE GAP/(SURPLUS)

4.7.1 The Commission in the APR Order for FY 2019-20 approved a revenue surplus of Rs.0.04 crore and in subsequent APR order for FY 2020-21 approved a revenue surplus of Rs.4.76 crore and directed the Applicant to include the total approved revenue surplus of Rs.4.80 crore in its claim of operating charges for the subsequent control period.

4.7.2 In the same manner, and as per Clause 20.2 of Regulation No.5 of 2005, the Applicant shall include the total approved revenue surplus of Rs.8.77 crore (Rs.0.04 crore for FY 2019-20, Rs.4.76 crore for FY 2020-21 and Rs.3.97 crore for FY 2021-22) in its claim of operating charges for the subsequent control period.

4.7.3 The Petition is disposed of in the above terms.

This Order is corrected and signed on this the 23rd day of May, 2023.

Sd/-
(BANDARU KRISHNAIAH)
MEMBER

Sd/-
(M.D.MANO HAR RAJU)
MEMBER

Sd/-
(T.SRIRANGA RAO)
CHAIRMAN

// CERTIFIED COPY //

Annexure-I

PUBLIC NOTICE

Appeared in NAMASTHE TELANGANA and the VAARTHA (Telugu) on
07.01.2023

గౌరవనీయ
తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC) సమక్షమున
5వ అంతస్తు, సింగరేణి భవన్, లక్ష్మీకాపుల్, రెడ్ హిల్స్, హైదరాబాద్-500004.
ట్రాన్స్మిషన్ కార్పొరేషన్ ఆఫ్ తెలంగాణ లిమిటెడ్ (టిఎస్ ట్రాన్స్కో)
బహిరంగ ప్రకటన
O.P. నెం. 02 ఆఫ్ 2023 మరియు O.P. నెం. 03 ఆఫ్ 2023

1. టిఎస్ ట్రాన్స్కో యొక్క ట్రాన్స్మిషన్ వ్యాపారం మరియు స్టేట్ లోడ్ డిస్ట్రీబ్ సెంటర్ (ఎస్ఎల్డిసి) కార్యకలాపాల కొరకు FY 2021-22 కి సంబంధించిన వార్షిక పనితీరు సమీక్ష (ట్రా అప్) కొరకు తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC) సమక్షంలో ట్రాన్స్మిషన్ కార్పొరేషన్ ఆఫ్ తెలంగాణ లిమిటెడ్ (TSTRANSCO) ఫైలింగ్స్ను దాఖలు చేసినదని యావన్మందికి ఇందుమూలముగా తెలియజేయడమైనది. ఈ ఫైలింగ్స్ O.P. నెం. 2 ఆఫ్ 2023 మరియు O.P. నెం. 3 ఆఫ్ 2023 వరుసగా కమిషన్చే రికార్డులోకి తీసుకోబడినవి.
2. పైన తెలిపిన ఫైలింగ్స్ యొక్క ప్రతులు చీఫ్ ఇంజనీర్ (కమర్షియల్ & ఆర్ఎస్) కార్యాలయం, రూమ్ నెం. 149, 'ఎ' బ్లాక్, TSTRANSCO, విద్యుత్ సౌధ, హైదరాబాద్-500 082 నందు మరియు చీఫ్ ఇంజనీర్ / (మెట్రో జోన్, రూరల్ జోన్, కరీంనగర్ జోన్ మరియు వరంగల్ జోన్) మరియు సూపరింటెండింగ్ ఇంజనీర్/ OMC/ TSTRANSCO (ఖమ్మం, నిజామాబాద్, ఆదిలాబాద్, కరీంనగర్, నల్గొండ, మహబూబ్ నగర్, వరంగల్, హైదరాబాద్లోని మెట్రో ఈస్ట్, మెట్రో వెస్ట్, మెట్రో సెంట్రల్ మరియు సంగారెడ్డి) వద్ద లభిస్తాయి. ఆసక్తి గల వ్యక్తులు సదరు ఏదేని కార్యాలయం నందు కార్యాలయ పని వేళల్లో సదరు ఫైలింగ్స్ను ఉచితంగా తనిఖీ చేసుకోవచ్చును, చదువుకోవచ్చును మరియు నోట్ చేసుకోవచ్చును. ఈ ప్రతిపాదనలు వెబ్సైట్: www.tstranSCO.in నందు కూడా లభిస్తాయి మరియు వీటిని www.tserc.gov.in నందు చూడవచ్చును. ఫోటోకాపీయింగ్ చార్జీలను నగదుగా చెల్లించి ఈ ఫైలింగ్స్ యొక్క కాపీను పైన తెలిపిన కార్యాలయాల నుండి పొందవచ్చు.
3. సదరు ఫైలింగ్స్ మీద ఆక్షేపణలు / సూచనలు ఏవైనా ఉంటే, వాటిని మద్దతు మెటీరియల్తో పాటు చీఫ్ ఇంజనీర్ / కమర్షియల్ & RAC, రూమ్ నెం. 149, 'ఎ' బ్లాక్, TSTRANSCO, విద్యుత్ సౌధ, హైదరాబాద్ - 500 082 వారికి 09.02.2023, సా|| 5.00 గం||లోపు చేరునట్లు స్వయంగా లేదా రిజిస్టర్డ్ పోస్టు ద్వారా దాఖలు చేయవలెను. వాటి కాపీని తప్పనిసరిగా పైన తెలిపిన చిరునామా వద్ద మరియు కమిషన్ సెక్రటరీ, TSERC వారికి కూడా దాఖలు చేయవలెను. ఆక్షేపణలు / సూచనల మీద తగువిధంగా సంతకం చేయవలెను మరియు సదరు ఆక్షేపణలు / సూచనలను పంపిస్తున్న వ్యక్తి(వ్యక్తుల) పూర్తి పేరు మరియు తపాలా చిరునామాను వాటిలో పేర్కొనవలెను. ఏదేని సంస్థ లేదా ఏదేని కంప్యూమర్స్ కేటగిరీ తరపున ఆక్షేపణలు / సూచనలు దాఖలు చేయబడినట్లయితే, ఆ విషయాన్ని స్పష్టంగా పేర్కొనవలెను.
4. ఆక్షేపణ / సూచనతో పాటు దిగువ తెలిపిన పట్టికను జతపర్చవలెను.

ఆక్షేపణదారు పేరు మరియు పూర్తి చిరునామా	ఆక్షేపణ(లు)/ సూచన(ల)/ యొక్క సంక్షిప్త వివరాలు	ఎస్ఎల్డిసి కార్యకలాపం మరియు ప్రసార వ్యాపారం కోసం వార్షిక పనితీరు సమీక్ష (ట్రా అప్) కోసం టిఎస్ ట్రాన్స్కో ద్వారా ఫైలింగ్లపై అభ్యంతరాలు.	ఆక్షేపణ కాపీ మరియు TSTRANSCO కార్యాలయం వద్ద అందజేయబడినట్లు రుజువు జతచేయబడిందా (అవును /కాదు)	ఆక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదల్చారా (అవును/కాదు)

5. తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి తేదీ. 27.02.2023 (సోమవారం) ఉ|| 11:00 గంటల నుండి TSERC, 5వ అంతస్తు, సింగరేణి భవన్, లక్ష్మీకాపుల్, హైదరాబాద్లోని కోర్ట్ హాల్లో పబ్లిక్ హియరింగ్ నిర్వహించాలని భావిస్తోంది. వ్యక్తిగతంగా అభ్యంతరాలను వ్యక్తం చేయాలనుకునే వాటాదారులు పబ్లిక్ హియరింగ్ తేదీకి ముందు TSERC సెక్రటరీకి తెలియజేయాలి.

ప్రదేశం: హైదరాబాద్
తేదీ: 07.01.2023
R.O.No. 46/22

సం/-
చైర్మన్ మరియు మేనేజింగ్ డైరెక్టర్
TSTRANSCO

Appeared in THE INDIAN EXPRESS THE HINDU and THE BUSINESS LINE
(English) on 07.01.2023

BEFORE THE HON'BLE
TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC)

5th Floor, Singareni Bhavan, Red Hills, Lakdikapul, Hyderabad-500 004.

TRANSMISSION CORPORATION OF TELANGANA LIMITED (TSTRANSCO)

PUBLIC NOTICE

O.P. No. 02 of 2023 and O.P. No.03 of 2023

1. Notice is hereby given to all that the Transmission Corporation of Telangana Limited (TSTRANSCO) has filed before the Telangana State Electricity Regulatory Commission (TSERC) for **Annual Performance Review (True up) for FY 2021-22 for State Load Despatch Centre (SLDC) activity and Transmission Business of TSTRANSCO**. These filings have taken on record by the Commission in O.P. No 2 of 2023 and O.P. No 3 of 2023 respectively.
2. Copies of the filings referred are available in the Office of the **Chief Engineer (Comml & RAC), Room No. 149, 'A' Block, TSTRANSCO, Vidyut Soudha, Hyderabad- 500082** and the Chief Engineer/(Metro Zone, Rural Zone, Karimnagar Zone and Warangal Zone) and Superintending Engineer /OMC/ TSTRANSCO (Khammam, Nizamabad, Adilabad, Karimnagar, Nalgonda, Mahabubnagar, Warangal, Metro East, Metro West, Metro Central, Sangareddy-located at Hyderabad). Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices free of cost. These proposals are also available on www.tstransco.in and the same may be accessed at www.tserc.gov.in. A copy of these filings can be obtained from the above office from **07.01.2023 onwards** on payment of photocopying charges by cash for Transmission Business and SLDC filings.
3. Objections/ suggestions if any, on the said filings together with supporting material may be sent to the **Chief Engineer (Comml & RAC), Room No. 149, 'A' Block, TSTRANSCO, Vidyut Soudha, Hyderabad-500082** in person or through Registered Post so as to reach on or before **09.02.2023 by 5 pm**. A copy of the same must also be filed with the Commission Secretary, TSERC, at the address mentioned above. The objections/suggestions should be duly signed and should carry full name and postal address of the person(s) sending the objections/ suggestions. If the objections/ suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned.
4. The Objection/Suggestion should accompany the following statement as an overleaf:

Name & full address of the Objector	Brief details of Objection(s)/ Suggestion(s)	Objections against filings by TSTRANSCO for Annual Performance Review (True up) for SLDC activity and Transmission Business.	Whether copy of objection & proof of delivery at TSTRANSCO's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)

5. Telangana State Electricity Regulatory Commission intends to conduct a Public Hearing in the **Court Hall of TSERC, 5th floor, Singareni Bhavan, Lakdi-ka-pul, Hyderabad on 27.02.2023 (Monday) from 11:00 hrs onwards**. The Stakeholders desiring to be heard in person shall inform to Secretary, TSERC before the date of Public Hearing.

Place : Hyderabad

Date : 07.01.2023

R.O.No. 46/22

Sd/-
Chairman and Managing Director
TSTRANSCO

Annexure-II
**List of Stakeholders who submitted the Written Objections/
Suggestions**

Sl. No.	Name and Address of the stakeholder
1)	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalist's Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032.

Annexure-III
**List of stakeholders who attended the public hearing held on
27.02.2021**

Sl. No.	Name and Address of the stakeholder
1)	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalist's Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032.