

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY
COMMISSION**

AT ITS OFFICE AT 4th FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD

FILING NO. _____/2018

CASE NO. _____/2018

In the matter of:

Filing of the ARR application in respect of Retail Supply Business and proposed Tariffs for the FY 2019-20 under multi-year tariff principles in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms And Conditions For Determination Of Tariff For Wheeling And Retail Sale Of Electricity) Regulation, 2005” by the Eastern Power Distribution Company of Andhra Pradesh Limited (‘APEPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee.

In the matter of:

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

... Applicant

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION ACCOMPANYING
FILING AS PER TERMS AND CONDITIONS OF TARIFF FOR WHEELING AND
RETAIL SALE OF ELECTRICITY**

I, Sri Y.S.N Prasad, son of Sri Y. Krishna Murthy, aged about 59 Years, working for gain at the Eastern Power Distribution Company of Andhra Pradesh Limited do solemnly affirm and say as follows:

- 1 I am the Chief General Manager/PPA, RA & QC of APEPDCL, the Licensee that has, vide the Honourable Commission’s approval in proceedings no. APERC/Secy/Engg/No.6 dt.31.3.2000, been granted the distribution and retail supply functions that APTransco was authorised to conduct or carry out under the Act and the license, with respect to the business of distribution and retail supply of electricity in the Eastern distribution zone in Andhra Pradesh. On December 27, 2000, the Honourable Commission has awarded a Distribution and Retail Supply License to APEPDCL, to be effective from April 1, 2001. I am competent and duly authorised by APEPDCL to affirm, swear, execute and file this affidavit in the present proceedings.
- 2 As such, I submit that I have been duly authorised by the Board of Directors of APEPDCL to submit the application, as per Terms and Conditions of Tariff for Wheeling and Retail Sale of Electricity (Regulation 4 of 2005) of APEPDCL for the FY 2019-20 to the Honourable Commission.

3 I submit that I have read and understood the contents of the appended application of APEPDCL. The facts stated in the application are true to the best of my knowledge, which are derived from the official records made available and certain facts stated are based on information and advice which, I believe to be true and correct.

I submit that for the reasons, and facts stated in the appended application this Applicant pray that the Honourable Commission may be pleased to

- (a) Take the accompanying ARR, Tariff Proposal along with Cross Subsidy Surcharge Application of APEPDCL on record and treat it as complete;
- (b) Grant suitable opportunity to APEPDCL within a reasonable time frame to file additional material information that may be subsequently available;
- (c) Consider and approve APEPDCL's ARR and Tariff application including all requested regulatory treatments in the filing;
- (d) Pass such order as the Honourable Commission may deem fit and proper in the facts and circumstances of the case.

DEPONENT

VERIFICATION:

I, the above named Deponent solemnly affirm at Hyderabad on this day of November, 2018 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.

DEPONENT

Solemnly affirmed and signed before me.

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY
COMMISSION**

AT ITS OFFICE AT 4th FLOOR, SINARENI BHAVAN, RED HILLS, HYDERABAD 500 004

FILING NO. _____/2018

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In the matter of:

Filing of the ARR application in respect of Retail Supply Business and proposed Tariffs for the FY 2019-20 under multi-year tariff principles in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms And Conditions For Determination Of Tariff For Wheeling And Retail Sale Of Electricity) Regulation, 2005 and First Amendment Regulation, 2014” by the Eastern Power Distribution Company of Andhra Pradesh Limited (‘APEPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee.

In the matter of:

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

... Applicant

The Applicant respectfully submits as under:

- 1** This filing is made by the **EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED (APEPDCL)** under Section 61 of the Electricity Act 2003 for determination of the Aggregate Revenue Requirement and Tariff for the Retail Supply Business for the year FY 2019-20.
- 2** The licensee has adopted the following methodology to arrive at the ARR for retail supply business.
 - **Distribution Cost:** The licensee has estimated the distribution cost for FY 2019-20 on a tentative basis since FY 2019-20 is the first year of 4th Control period (FY 2019-20 to FY 2023-24). However, detailed projections for all five years of the 4th control period shall be submitted in MYT petition for Distribution ARR at a later date. The estimated distribution cost of APEPDCL is Rs.1,981 Cr.
 - **Transmission Cost:** The licensee has estimated the transmission cost for FY 2019-20 on a tentative basis since FY 2019-20 is the first year of 4th Control period (FY 2019-20 to FY 2023-24). However, detailed projections for all five years of the 4th control period shall be submitted in MYT petition for Transmission ARR at a later date. The estimated transmission cost of APEPDCL is Rs.573.57 Cr.
 - **SLDC Cost:** The licensee has estimated the SLDC cost for FY 2019-20 on a tentative basis since FY 2019-20 is the first year of 4thControl period (FY 2019-20 to FY 2023-24). However,

detailed projections for all five years of the 4th control period shall be submitted in MYT petition for SLDC ARR at a later date. The estimated transmission cost of APEPDCL is Rs.28.10 Cr.

- **PGCIL and ULDC Costs:** The licensee has considered PGCIL and ULDC Charges as per the CERC Regulations. The projected PGCIL and ULDC Costs for FY 2019-20 is Rs. 560.56 Cr. and 1.53 Cr. respectively.
- **Distribution losses:** The licensee has considered losses for H2 FY 2018-19 as per APERC approved values and as projected in the Resource Plan for the 4th control period is considered for FY 2019-20. The following table provides the voltage level losses considered by the APEPDCL for projecting the energy requirement for H2 FY 2018-19 and FY 2019-20 :

APEPDCL - DISCOM losses		
Voltage Level	H2 FY 2018-19	FY 2019-20
33 KV	2.82%	2.81%
11 KV	3.33%	3.28%
LT	4.16%	4.13%

- **Transmission losses:** The Licensee has considered the actual losses for H1 FY 18-19 and approved losses of 3.27% in the Tariff Order FY 2018-19 for H2FY 2018-19and FY 2019-20.
- **PGCIL Losses:** The Licensee has considered the external (PGCIL) losses as approved by the Hon'ble Commission at 3.27% in the Tariff Order for FY18-19 for FY 2018-19 and FY 2019-20.

3 Filing of Retail Supply ARR for FY 19-20

As per Regulation No. 4 of 2005, the licensee is required to file the Aggregate Revenue Requirement (ARR) for Retail Supply Business and Tariff proposal for the entire control period i.e., for the period from FY 2014-15 to FY 2018-19. However, the licensee requested the Honourable Commission to allow for submission of the ARR and Tariff filing for Retail Supply Business for FY 2019-20 on yearly basis.

The Honourable Commission has been kind enough in granting permission to submit the ARR & Tariff petitions relating to Retail Supply Business on Annual basis for FY 2019-20 only during the fourth control period (FY 2019-20 to FY 2023-24) vide APERC proceeding number T-76/2018, Dated:11-10-2018.

4 Performance Analysis of APEPDCL for the previous year FY 2017-18 and current year FY 2018-19

Performance Analysis: A brief analysis of the licensee business for FY 2017-18 and FY 2018-19 is as follows:

- **Sale of Energy and Distribution Loss for FY 2017-18 & FY 2018-19**

Particulars	FY 2017-18					
	As per DISCOM Filings		APERC Order		Actuals	
	MU	%	MU	%	MU	%
I) Total Metered Sales	15,605	82.12%	15,366	81.91%	16,162	81.24%
a) EHT sales	4,002	21.06%	3,838.14	20.46%	4,615	23.20%
b) HT sales	3,971	20.90%	3,896.13	20.77%	3,972	19.96%
c) LT Metered sales	7,632	40.16%	7,631.67	40.68%	7,576	38.08%
II) LT Agricultural Sales	2,090	11.00%	2,090.27	11.14%	2,188	11.00%
III) Total Sales	17,695	93.12%	17,456.21	93.05%	18,351	92.24%
IV) ADD: Distribution Losses						
Distribution Losses (Incl. EHT sales)	1,307	6.88%	1,303.90	6.95%	1,544	7.76%
V) DISCOM Power purchase						
a) Discom Input (Excl. EHT sales)	15,000		14,922		15,280	
b) Discom input (Incl. EHT sales) and excluding Transmission losses	19,002	100%	18,760	100%	19,895	100.00%

Particulars	FY 2018-19					
	As per DISCOM Filings		APERC Order		Revised Estimates	
	MU	%	MU	%	MU	%
1)Total Metered Sales	17,661	83.56%	17,380	83.47%	17,508	83.64%
a)EHT sales	4,930	23.32%	4,900	23.53%	5,011	23.94%
b)HT sales	4,239	20.05%	4,193	20.14%	4,279	20.44%
c)LT Metered sales	8,493	40.18%	8,286	39.80%	8,218	39.26%
II) LT Agricultural Sales	2,090	9.89%	2,090	10.04%	2,078	9.93%
III)Total Sales	19,751	93.45%	19,470	93.51%	19,586	93.57%
IV)ADD: Distribution Losses						
Distribution Losses (Incl. EHT sales)	1,385	6.55%	1,351	6.49%	1,345	6.43%
V)DISCOM Power purchase						
a)Discom Input(Excl. EHT sales)	16,207		15,921		15,920	
b)Discom input(Incl. EHT sales) and	21,137	100%	20,821	100.00%	20,931	100%

- **Revenue**

The table below shows a comparison of the revenue from various consumer categories as approved in the Tariff Order and as billed (FY 2017-18) and expected to be billed (FY 2018-19) by APEPDCL.

Category Wise Revenue: (Figures shown in Rs Crores)

Category	2017-18 (Rs Crs)		2018-19 (Rs Crs)	
	APERC Target	2017-18 (Actual)	APERC Target	2018-19 (Revised Estimate)
LT Category	3834.79	3748.48	4186.56	4062.53
Domestic	2016.88	1850.18	2024.72	1963.70
Non-domestic/Commercial	1060.64	1016.73	1120.96	1085.34
Industrial	545.89	678.87	723.06	802.47
Cottage Industries, Dhobighats & Others	0.97	1.04	1.15	1.14
Irrig & Agriculture	26.86	15.59	111.37	12.23
Local Bodies, St. Lighting & PWS	129.75	142.86	158.03	145.75
General Purpose	52.83	42.48	46.55	51.04
Temporary Supply	0.97	0.72	0.72	0.87
HT Category	5435.11	5726.43	5954.20	6201.05
HT I : General	4121.36	4445.38	4474.09	4782.03
HT II: Others	734.20	614.26	673.12	697.43
HT III: Airports, Bus Stations and Railway Stations	47.34	39.05	40.06	37.20
HT IV Government LIS & Agl.	152.27	246.36	360.57	286.63
HT V: Railway Traction	310.88	325.64	344.87	333.14
HT VI: Townships & Residential Colonies	24.14	21.22	24.25	18.48
HT VII: Green Power	0.00	0.00	0	0.00
HT VIII: Temporary	6.49	11.17	6.68	15.09
Category: RESCOs	38.43	23.36	30.56	31.05
Total (LT+HT)	9270	9474.91	10140.76	10263.59

5 Retail Supply Business True-up for FY 2017-18 and Provisional True-up for FY 2018-19

The licensee has not considered the True up for FY 2017-18 and provisional True up for FY 2018-19 in the ARR projections for FY 2019-20. Therefore, the Licensee seeks liberty to take permission from the Hon'ble Commission for filing it as a separate petition.

6 ARR Projections for FY 2019-20

Sales Estimates for FY 2019-20

The licensee has adopted a modified trend approach for projecting the category-wise sales for the ensuing year. As the name suggests, the licensee has considered the historical growth trend observed in the sales of categories adjusted for load relief (adjusted for load shifting) given during last 12 months i.e.H2 of 2017-18 and H1 of FY 2018-19 and the same has been moderated based on the other relevant inputs such as underlying economic growth drivers, number of pending applications etc. The historical sales growth of 5 districts are used to project the sales of 5 districts for H2 FY 2018-19& FY 2019-20. Due to optimum energy availability in the state as well as in the open market, the licensee is not considering any load relief in H2 FY 2018-19 and FY 2019-20.

The total sales forecast for key categories is as follows:

Category	Revised Estimate FY 2018-19(MU)	FY 2019-20(MU)
LT Supply	10296.13	11202.31
Domestic	5316.46	5670.71
Non-Domestic	1040.24	1124.09
Industrial	1561.99	1816.59
Irrigation & Agriculture	2078.50	2280.67
Others	298.933	310.24
HT Supply	9290.00	10965.87
HT I : General	7048.47	7741.725
HT II: Others	655.24	682.155
Other HT Categories	1586.29	2541.988
Total	19586.13	22168.18

Yearly Growth Rate:

Category	FY 2018-19 H1 (Actual) /FY 2017-18 H1(Actual)	Revised Estimate FY 2018-19/	FY 2019-20(MU)/FY 2018-19(MU)
		FY 2017-18	%
		%	
LT Supply	5.95%	5.45%	8.80%
Domestic	5.45%	5.68%	6.66%
Non-Domestic	6.27%	6.30%	8.06%
Industrial	23.70%	21.73%	16.30%
Irrigation & Agriculture	-4.37%	-5.02%	9.73%
Others	5.41%	5.55%	3.78%
HT Supply	9.58%	8.19%	18.04%
HT I : General	10.45%	8.45%	9.84%
HT II: Others	10.14%	10.93%	4.11%
Other HT Categories	5.85%	5.98%	60.25%
Total	7.64%	6.73%	13.18%

Number of hours of Supply to LT Agricultural Consumers in FY 2019-20:

The licensee would like to continue with existing 7 hours of power supply to agricultural consumers in FY 2019-20. However, the licensee may submit a supplementary filing for increase in the number of hours of supply to agricultural consumers based on the orders from the Government of Andhra Pradesh.

Revenue estimate at Current Tariffs for APEPDCL in FY 2019-20

Revenue projected at current tariff incl. NTI, Cross Subsidy Surcharge and REC Certificates is Rs.11,701.21 Crs.

Revenue from key categories at current tariff for FY 2019-20 is shown below:

Category	Revised Estimate FY 2018-19(Crs.)	FY 2019-20(Crs.)
LT Supply	3921.89	4255.87
Domestic	1895.71	2019.70
Non-Domestic	1047.76	1135.16
Industrial	774.69	888.95
Irrigation & Agriculture	11.81	12.56
Others	191.918	199.506
HT Supply	5986.38	7017.56
HT I : General	4616.48	5054.53
HT II: Others	673.28	717.99
Other HT Categories	696.62	1245.03
Total Revenue	9908.27	11273.43
Revenue from Cross Subsidy Surcharge	39.72	43.80
Revenue from REC Certificates		10.90
Non Tariff income	355.32	373.09
Total Revenue including Non Tariff income, Cross Subsidy Surcharge	10303.31	11701.21

Power Purchase Requirement and Cost Estimate for the state of Andhra Pradesh for FY 2019-20

As per the Twelfth Schedule of the Andhra Pradesh Reorganization Act, 2014 for bifurcation of united Andhra Pradesh (Central Act No. 6 of 2014, dated 01.03.2014), the districts of Anantapur and Kurnool which were under the jurisdiction of the erstwhile Andhra Pradesh Central Power Distribution Company Ltd. (APCPDCL), now Southern Power Distribution Company of Telangana Limited (TSSPDCL) were reassigned to the Andhra Pradesh Southern Power

Distribution Company Ltd. (APSPDCL). The proportionate share of power was transferred from the allocated share of the erstwhile APCPDCL to APSPDCL.

According to G.O.Ms. No. 20 (dated 08.05.2014), based on the last 5 years' average consumption of Anantapur and Kurnool districts, 17.45% of power earlier allocated to the erstwhile APCPDCL has to be transferred to APSPDCL. Accordingly, power allocation percentages for Andhra Pradesh Discoms and Telangana Discoms have been modified. Andhra Pradesh has been allocated a percentage of 46.11% of the erstwhile united Andhra Pradesh share.

In addition, renewable energy based projects have been allocated to the APDISCOMs based on their geographical location (These projects have signed PPAs with the DISCOM in which they are located. Hence, the entire power is allocated to that DISCOM only) till 31st July, 2017 and subsequently in the ratio of 34.27% and 65.73% to APEPDCL and APSPDCL respectively based on G.O.RT. No. 118 (dated 27th July, 2017).

The revised power allocation percentages for the two Discoms of Andhra Pradesh (APEPDCL and APSPDCL) are mentioned below.

S. No.	Name of the Distribution Company	Allocation Percentage
1	APEPDCL	34.27 %
2	APSPDCL	65.73 %

The following are the key assumptions considered by the licensee with regard to power purchase availability by the licensee –

APGENCO STATIONS

APDISCOMS have been purchasing power from APGENCO Stations based on the long term PPAs/approval of Hon'ble APERC. The PPAs in respect of Dr. NTTPS-I, II & III, RTPP-I and all Hydel Stations (except Nagarjunasagar Tail Pond PH) of APGENCO are going to be expired by 31.03.2019. It is proposed to continue the purchases from these Stations during FY 2019-20 also subject to the approval of Hon'ble APERC. New Power Plants, Dr. NTTPS-V and DSSTPS-II are expected to be commissioned by Dec'19 and Jan'20 respectively. APDISCOMS propose to purchase the power from these plants subject to the approval of Hon'ble APERC. For 2019-20, the variable rates were projected by enhancing the rates approved in the Retail Tariff order for FY 2018-19 by 3%.

CENTRAL GENERATING STATIONS

APDISCOMS have been purchasing power from Central Generating Stations controlled/owned by GoI based on the long term PPAs. APDISCOMs have been purchasing bundled power from thermal Stations of NTPC which was allocated by MOP/GOI against the solar power procurement by APDISCOMs under JNNSM Phase I & II. NNTP (New Neyveli Thermal Plant)

of NLC is expected to be commissioned by Dec'18. For 2019-20, the variable rates were projected by enhancing the rates approved in the Retail Tariff order for FY 2018-19 by 3%.

Old Gas Based IPPs (Independent Power Projects)

GGPP (Godavari Gas Power Plant-216.824 MW, formerly GVK PHASE-I)

APDISCOMs are at present dispatching the energy from this plant based on the approval given by Hon'ble APERC in the Retail Tariff Order for FY 2018-19. APDISCOMs propose to avail the power from this plant during FY 2019-20 also subject to the approval of Hon'ble APERC.

SPGL (SPECTRUM POWER GENERATION LIMITED-205.187MW)

APDISCOMs are at present purchasing the power from this plant at the rates approved in the Retail Tariff Order for FY 2018-19. Pending permission from GoAP, APDISCOMs propose to purchase the power from this plant during FY 2019-20 also subject to the approval of Hon'ble APERC.

LKPL PHASE-I (LANCO KONDAPALLI POWER LIMITED PHASE-I -361.92 MW)

APDISCOMs filed the draft PPA before Hon'ble APERC. Pending approval of the PPA by the Hon'ble APERC, APDISCOMs are purchasing the power from this plant at the rates approved in the Retail Tariff Order for FY 2018-19. APDISCOMs propose to continue the purchases from this plant during FY 2019-20 also subject to the approval of Hon'ble APERC.

NEW GAS BASED IPPs

APDISCOMs of erstwhile united AP State entered into long term PPAs with GVK Extension (220 MW), GVPGL (GMR Vemagiri Power Generation Limited-370 MW), Gouthami CCPP(464 MW) and Konaseema Gas Power Limited(444.08 MW). There is no official communication from MoP & NG on the availability of natural gas to these plants. The e-bid RLNG Scheme ended by 31.03.2017 and MoP/GOI has not extended the scheme. Therefore, APDISCOMs are not proposing to procure any power from these plants.

APGPCL (AP GAS POWER CORPORATION LIMITED)

APGPCL is a joint sector gas-based power project. APDISCOMs are availing power from this project to the extent of APTRANSCO's equity share in the project.

RENEWABLE ENERGY BASED POWER PLANTS

Renewable Energy based projects have been allocated to the APDISCOMs based on their geographical location (These projects have signed PPAs with the DISCOM in which they are located. Hence, the entire power is allocated to that DISCOM only) till 31st July, 2017 and subsequently in the ratio of 34.27% and 65.73% to APEPDCL and APSPDCL respectively.

MINI POWER PLANT (GAS BASED)

APEPDCL is at present purchasing power from this plant as per the approval given by Hon'ble APERC vide order dated 01.09.2018. The approval is valid for power procurement up to 31.03.19. APEPDCL proposes to procure power from this project for FY 2019-20 also subject to the approval of Hon'ble APERC.

SEMBCORP ENERGY INDIA LIMITED (FORMERLY THERMAL POWERTECH CORPORATION INDIA LIMITED)

APDISCOMs share of contracted capacity in the plant is 46.11% i.e., 230.55 MW out of the said total contracted capacity of 500 MW.

KSK MAHANADI POWER CORPORATION LIMITED

APDISCOMs have PPA with KSK Mahanadi Power Corporation Limited for a contracted capacity of 400 MW. The PPA is valid up to 31.03.2021.

Swap power

In order to avoid the short-term procurements and thereby save the costs, APDISCOMs have been swapping (banking) power with other Govt utilities to the extent possible. The details of power being swapped are indicated in the following table

Description	FY 2018-19 H2	FY 2019-20
Energy availed from other utilities	3344.71	666.79
Energy to be returned to other utilities	-252.16	-4121.85

OTHER SHORT-TERM SOURCES

Even after considering the above availabilities, there will still be a gap between demand (energy requirement) and availability for the FY 2019-20. APDISCOMs propose to bridge this gap by short term procurement from Sembcorp Gayatri Power Limited and through Power Exchanges. Preference has been given to procure the short-term power from SembCorp Gayatri Power Limited keeping in view the uncertainty on the availability of sufficient power in the Power Exchanges and also higher average per unit cost of power even if available.

The estimated surplus energy at the state level during FY 2019-20 is 870 MUs shown in the table below.

S.No.	Particulars	FY 2019-20
A	Energy Requirement (MU)	67,713.49
B	Energy Availability (MU)	68583.87
C = B – A	Surplus (+)	870.38

Based on the availability, requirement and costs for each source, the summary of power purchase cost for Andhra Pradesh for FY 2019-20 is projected as follows:

FY 2019-20 Projections				
Source	Power Purchase (MU) Available	Power Purchase (MU) Dispatch	Costs (INR Cr)	PP Cost (INR/kWh)
APGenco Thermal and DSTPP-I &II	24,017.65	23,742.45	10,391.22	4.38
APGenco Hydel	3,149.77	3,149.77	552.48	1.75
CGS	16,064.22	15,504.67	5,963.87	3.85
APGPCL	119.03	109.59	40.74	3.72
IPPs – Gas	3,112.11	3,112.11	1,144.26	3.68
NCE	16,769.36	16,769.36	7,706.43	4.60
Srivathsa	68.00	45.52	19.03	4.18
KSK Mahanadhi	2,977.37	2,977.37	1,275.57	4.28
TPCIL	1,716.42	1,716.42	672.85	3.92
SWAP Power (Purchase)	666.79	666.79	269.38	4.04
Sembcorp (Short Term)	3,600.00	3,600.00	1,645.20	4.57
Short Term Sources	445.00	441.30	201.67	4.57
Gross Purchases	72,705.72	71,835.34	29,882.71	4.16
SWAP Power (Sale)	4,121.85	4,121.85	1,665.23	4.04
Net Purchases	68,583.87	67,713.49	28,217.48	4.17

Average Revenue Realized vs Average CoS break up for APEPDCL in FY 2019-20

- Average Revenue Realisation (ARR) for FY 2019-20 is Rs.5.30/kWh
- Average Cost of Supply (CoS) for APEPDCL - Rs. 6.20/kWh

- Average CoS break-up (per unit of Sales) for APEPDCL is as follows:-

ARR Prameters	FY 18-19 Approved (Rs./Unit)	FY 18-19 Estimated (Rs./Unit)	FY 19-20 Projected (Rs./Unit)
Power Purchase cost	4.01	4.05	4.16
T&D Loss Cost	0.42	0.58	0.46
Network	1.31	1.35	1.42
Other Cost	0.11	0.18	0.16
Cost of Service	5.85	6.16	6.20

- The estimated revenue gap for the licensee for FY 2019-20 is as follows:

SNO.	Particulars	FY 2019-20
A	Total Revenue at Current Tariffs (Rs. Crs.)	11,701.21
B	Aggregate Revenue Requirement (Rs. Crs.)	13,740.32
C=A-B	Revenue(Deficit)/Surplus at Current Tariffs (Rs. Crs.)	(2,039.10)
D	Revenue charged through proposed tariff (Rs. Crs.)	52.33
C+D	Total Revenue Deficit (Rs. Crs.)	(1,986.77)

7 Tariff Proposal

Licensees proposed to continue with current tariffs as approved by Hon'ble Commission during FY 2018-19 for all categories. This has benefited all consumers (1.76 Cr.) of the state of Andhra Pradesh. Total number of consumers in the APEPDCL are 63Lakhs.

However, following changes have been proposed:

- LT IV (A) Cottage Industries:** For dhobi ghats the applicable demand charge is Rs. 20/kW/month with energy charge of Rs. 3.75/unit as per ARR Tariff Order 2018-19. However, the Licensee is providing free supply to these consumers based on G.O.Rt. No. 75 dated 27th June, 2018, wherein the Government directed the Licensee to extend all benefits on par with agriculture connections (free category) to extend helping hand and as an encouragement to the washermen in the state.
- LT V (C) Others: Rural Horticulture Nurseries:** For nursery farmers the applicable demand charge is Rs. 20/HP/month with energy charge of Rs. 1.50 per unit for consumers with connected load upto 5 HP and Rs. 3.70 per unit for consumers with connected load upto 25 HP as per ARR Tariff Order 2018-19 is. However, the Licensee is providing free supply to these consumers based on G.O.Rt. No. 39 dated 14th March, 2018, directed the Licensee to extend all benefits on par with agriculture connections (free category) to extend helping hand and as an encouragement to the nursery farmers in the state.

- c. **LT II (E) and HT II (E): Electric Vehicles EV's /Charging stations:** As per the directions of the GoAP , the Licensee proposes to decrease the Energy Charges with no Time of Day Tariff (TOD) as given below:

Category	Current Tariff (Rs. Per kWh/kVAh)			Proposed Tariff (Rs. Per kWh/kVAh)		
	Energy Charges	ToD (6 am to 10:00 am & 6:00 pm to 10:00 pm)	ToD (10:00 pm to 6:00 am)	Energy Charges	ToD (6 am to 10:00 am & 6:00 pm to 10:00 pm)	ToD (10:00 pm to 6:00 am)
LT-II (E) and HT-II (E): Electric Vehicles (EVs)/Charging Stations	6.95	8.00	5.95	5.95	7.00	4.95

- d. **HT V: Railway Traction:** Licensee proposes increase in tariff for Railway Traction (HT-V).

The Licensee proposes an increase in Demand charges and Energy Charges as given below:

Category	Current Tariff		Proposed Tariff	
	Energy Charges	Demand charges	Energy Charges	Demand charges
	Rs./kVAh	Rs./kVA/month	Rs./kVAh	Rs./kVA/month
HT-V : Railway Traction	3.55	300	3.95	390

Note: All other conditions are as per the Chapter-XII of Retail Supply Tariff Schedule for FY 2018-19 unless and otherwise mentioned in this document.

8 Cross Subsidy Surcharge

The licensee has calculated the cross surcharge subsidy based on the formula specified in the revised National Tariff Policy issued on 28.01.16.

As per the said Tariff Policy, the surcharge is to be computed as per the following formula;

$$S = T - [C / (1 - L/100) + D + R]$$

Where,

‘S’ in Rs./unit is the Cross Subsidy Surcharge ,

‘T’ is the tariff payable by the relevant category of consumers in Rs./unit, including reflecting the Renewable Purchase Obligation,

‘C’ is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation in Rs./unit ,

‘D’ is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level in Rs./unit and ‘L’ in percentage is the aggregate of transmission, distribution and commercial losses, applicable to the relevant voltage level and

‘R’ is the cost of carrying regulatory assets in Rs./kWh.

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking open access.

The category-wise CSS computation for APEPDCL for FY 2019-20 is as follows:

Category	T	C	D	L	R	$S=T-(C/(1-L/100)+D+R)$	$A = 0.2*T$	$CSS= \min (S,A)$
	Average Revenue Realization (Only Demand & Energy)	Per Unit Cost of Power Purchase	Wheeling Charges	Applicable Loss	Cost of Regulatory Asset	CSS (Rs./Unit)	20 % of Average Revenue Realization	CSS (Rs./Unit)
High Tension								
HT Category at 11 kv								
HT I (A): General	8.20	4.16	1.09	0.10	-	2.50	1.64	1.64
HT I (C): Aquaculture and Animal Husbandry	3.98	4.16	1.09	0.10	-	-	0.80	-
HT I (D): Poultry Hatcheries and Poultry Feed Mixing Plants	7.93	4.16	1.09	0.10	-	2.23	1.59	1.59
HT II: Others	11.00	4.16	1.09	0.10	-	5.30	2.20	2.20
HT II (B): Religious Places	5.23	4.16	1.09	0.10	-	-	1.05	-
HT II (C): Function Halls/Auditoriums	11.77	4.16	1.09	0.10	-	6.07	2.35	2.35
HT II (F) : Startup Power for Captive Generating plants , Co-generating plants and Renewable Generation Plants	11.77	4.16	1.09	0.10	-	6.07	2.35	2.35
HT III: Public Infrastructure and Tourism	9.77	4.16	1.09	0.10	-	4.07	1.95	1.95
HT IV Government LIS	5.82	4.16	1.09	0.10	-	0.12	1.16	0.12
HT IV CPWS	4.89	4.16	1.09	0.10	-	-	0.98	-
HT VI: Townships & Residential Colonies	6.84	4.16	1.09	0.10	-	1.14	1.37	1.14
HT VII: Green Power	-							
HT VIII: Temporary	14.43	4.16	1.09	0.10	-	8.72	2.89	2.89
Category: RESCOs	0.88	4.16	1.09	0.10	-	-	0.18	-
HT Category at 33 kv								
HT I (A): General	7.19	4.16	0.52	0.07	-	2.21	1.44	1.44
HT I (B): Energy Intensive Industries	5.37	4.16	0.52	0.07	-	0.40	1.07	0.40
HT I (D) : Poultry Hatcheries and Poultry Feed Mixing Plants	6.19	4.16	0.52	0.07	-	1.22	1.24	1.22
HT II: Others	9.56	4.16	0.52	0.07	-	4.58	1.91	1.91
HT II (F) : Startup Power for Captive Generating plants , Co-generating plants and Renewable Generation Plants	11.77	4.16	0.52	0.07	-	6.80	2.35	2.35
HT III: Public Infrastructure and Tourism	8.14	4.16	0.52	0.07	-	3.17	1.63	1.63
HT IV Government LIS	5.82	4.16	0.52	0.07	-	0.85	1.16	0.85
HT VI: Townships & Residential Colonies	6.62	4.16	0.52	0.07	-	1.64	1.32	1.32
HT VIII: Temporary	22.10	4.16	0.52	0.07	-	17.13	4.42	4.42
	-							
HT Category at 132 kv								
HT I (A): General	7.68	4.16	0.44	0.04	-	2.91	1.54	1.54
HT I (B): Energy Intensive Industries	4.95	4.16	0.44	0.04	-	0.18	0.99	0.18
HT II: Others	9.79	4.16	0.44	0.04	-	5.02	1.96	1.96
HT II (F) : Startup Power for Captive Generating plants , Co-generating plants and Renewable Generation Plants	11.77	4.16	0.44	0.04	-	7.00	2.35	2.35
HT IV Government LIS	5.82	4.16	0.44	0.04	-	1.05	1.16	1.05
HT V: Railway Traction	5.43	4.16	0.44	0.04	-	0.66	1.09	0.66

9 Additional Surcharge

The Licensee filed for Additional Surcharge of Rs. 0.95 per unit in petition for ARR of FY 2018-19. The Hon'ble Commission disallowed it with following comments:

“the Licensees have not been able to demonstrate the above conclusively, as the parameters for grant of additional surcharge prescribed by section 42(4) read with clause 8.5.4 of the National Tariff Policy, 2016 are not satisfactorily established to exist to sustain such a claim. Therefore, the Commission is not rendering any decision on the eligibility or otherwise of the licensees to collect such additional surcharge from a consumer or any class of consumers for FY2018-19 in the present consideration. However, the licensees are at liberty to move an appropriate application for the purpose in accordance with law sufficiently supported by the relevant data and material which may be considered on merits.”

In view of the above, the Licensee seeks liberty from the Hon'ble Commission from filing of the Additional Surcharge in the ARR petition for FY 2019-20. Further, the Licensee also requests the Hon'ble Commission to determine the methodology for determination of the Additional Surcharge. Based on the methodology, the Licensee shall file the Additional Surcharge in supplementary filings.

Based on the information available, the Applicant has made sincere efforts to comply with the Regulation of the Honourable Commission and discharge its obligations to the best of its abilities. However, should any further material information become available in the near future, the Applicant shall file such additional information and consequently amend/ revise the application.

In the aforesaid facts and circumstances, the Applicant requests that this Honourable Commission may be pleased to:

- a. Take the accompanying ARR, Tariff Proposal along with Cross Subsidy Surcharge of APEPDCL on record and treat it as complete;
- b. Grant suitable opportunity to APEPDCL within a reasonable time frame to file additional material information that may be subsequently available;
- c. Consider and approve APEPDCL's ARR and Tariff application including all requested regulatory treatments in the filing;
- d. Pass such order as the Honourable Commission may deem fit and proper in the facts and circumstances of the case.

EASTERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
(APPLICANT)

Through

Chief General Manager
PPA, RA & QC::APEPDCL

Place: Hyderabad

Dated: 24-11-2018