



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**.