



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
**5<sup>th</sup> Floor, Singareni Bhavan Lakdi-ka-pul Hyderabad 500004**

I.A.No.4 of 2021  
in  
O.P.Nos.21 & 22 of 2017

Dated 27.03.2021

**Present**

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

Between:

1. Southern Power Distribution Company of Telangana Ltd.,  
6-1-50, Mint Compound, Hyderabad, Telangana-500063
2. Northern Power Distribution Company of Telangana Ltd.,  
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan,  
Nakkalgutta, Warangal-506001

.... Applicants

AND

-Nil-

.... Respondent

The application having stood over for consideration to this day, the Commission passed the following:

**ORDER**

Southern Power Distribution Company of Telangana Limited (TSSPDCL) and Northern Power Distribution Company of Telangana Limited (TSNPDCL) (Applicants/ TSDISCOMs) have filed an Interlocutory Application (I.A.) on 08.03.2021 under section 94 (2) of the Electricity Act, 2003 (Act, 2003), seeking extension of the application of the retail supply tariffs, cross subsidy surcharge and additional surcharge for FY 2021-22 upon expiry of the earlier retail supply tariffs order on 31.03.2019 as extended for FY 2019-20 and 2020-21. The Applicants have stated in the I.A. as below.

- a. *“Retail Supply Tariff order dated 27.03.2018 passed on Retail Supply Tariffs for FY 2018-19 and cross subsidy surcharge and additional surcharge order*

27.03.2018 are being implemented in the supply areas of TSDISCOMs in accordance with the Hon'ble Commission's interim order dated 20.03.2020 in I.A.No.8 of 2020 in O P.Nos.21 & 22 of 2017.

- b. As per regulation No.4 of 2005 (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity), TSDISCOMs were supposed to file Aggregate Revenue Requirement (ARR) & Tariff proposals for the FY 2021–22 by 30<sup>th</sup> November, 2020 to make 120 days available to the Commission to determine the retail supply tariffs for FY 2021–22 commencing from 1<sup>st</sup> April, 2021.
- c. Whereas, TSDISCOMs have filed miscellaneous petition on 30.04.2020 seeking extension of time for filing of ARR & Tariffs proposals, cross subsidy surcharge and additional surcharge for FY 2020–21 for retail supply business till 31.07.2020 due to several reasons viz., preparation of tariff proposals in accordance to the MoP recommendations on Tariff Rationalization process, pending finalization of Lift Irrigation (LI) data and later due to imposition of Nation-wide lockdown and in the State by Government of Telangana (GoTS) due to spread of pandemic COVID-19 leading to severe impact on financials and operations of the TSDISCOMs for FY 2020–21.
- d. The licensees are in the process of finalizing the ARR, tariff proposals, cross subsidy surcharge and additional surcharge proposals for retail supply business for FY 2021–22.
- e. Further, Model Code of Conduct has come into force from 11.02.2021 in view of Biennial Elections to Telangana State Legislative Council and it will be in existence till 22.03.2021.
- f. In the circumstances mentioned above, the tariff order on retail supply tariffs, cross subsidy surcharge and additional surcharge for the year FY 2021–22 may not come into force from 01.04.2021 due to delay in submission of ARR. Hence the existing retail supply tariffs, cross subsidy surcharge and additional surcharge as determined in the tariff order dated 27.03.2018 is required to be continued from 01.04.2021 onwards till issuance of retail supply tariffs, cross subsidy surcharge and additional surcharge orders for the FY 2021–22.
- g. It is therefore prayed that the Commission to pass interim orders directing to continue the existing retail supply tariffs, cross subsidy surcharge and additional surcharge as determined in the tariff order dated 27.03.2018 from 01.04.2021

*till issuance of the retail supply tariffs, cross subsidy surcharge and additional surcharge orders for the financial year 2021–22.”*

2. The Commission having considered the submissions in the I.A. also noticed from the letter, which is stated below that the tariff facts has to be continued in the absence of determination process not being initiated. The letter states thus –

*“The licensee is herewith submitting Interlocutory Applications (I.A.’s) in retail supply tariff order, cross subsidy surcharge & additional surcharge order issued for FY 2018–19 dated 27.03.2018 for continuation of existing retail supply tariffs, cross subsidy surcharge and additional surcharge of FY 2018–19 until issue of retail supply tariffs, cross subsidy surcharge & additional surcharge orders for FY 2021–22 ....”*

3. The tariff has to be continued for the present until the TSDISCOMs file a regular petition for determination of fresh charges and retail supply tariffs for the financial year 2021-22. Therefore, the present interlocutory application is being considered for passing orders. Since section 86 (3) of the Act, 2003 has to be complied with, it is considered appropriate to pass an ad-interim order subject to the final disposal of the application along with the regular petition for fresh tariff and retail supply charges by undertaking due process of law.

4. It is also relevant to state that the submissions do not state anything about subsidy to be extended by the State Government. However, the Commission is of the view that if the State Government wishes that the tariffs should be continued at the existing rates, it is for the State Government to extend such subsidy. Accordingly, the Commission had addressed a letter dated 26.03.2021 to the State Government to communicate regarding extension of required support in the form of subsidy to bridge the revenue gap for ensuing financial year 2021-22. In the said letter, the following was informed by the Commission.

*“The Distribution Licensees have filed Applications vide ref. cited (ii) above [Letter No. CGM (IPC & RAC) / SE(RAC) / DE(RAC) / F. No .A / 93 / D.No.204 / 21, dated 18.03.2020] before the Commission seeking continuation of existing Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge, w.e.f. 01.04.2021 till the issue of Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge Orders for FY 2021-22.*

2. For continuation of existing Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge w.e.f. 01.04.2021, the Distribution Licensees have to be provided the required support in the form of subsidy to bridge the revenue gap, as was extended for FY 2020-21 vide ref. (i) cited above [Energy Department, GoTS Letter No.354/Budget.A2/2020-1, dated 18.03.2020], till the issuance of Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge Orders for FY 2021-22.

3. The communication from GoTS regarding extension of required support in the form of subsidy may be arranged by 30.03.2021 so as to enable the Commission to issue the Order on continuation of existing Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge w.e.f. 01.04.2021 till the issue of Retail Supply Tariffs, Cross Subsidy Surcharge and Additional Surcharge Orders for FY 2021-22.”

5. In reply to the above letter, the State Government by its letter No. Energy-P1/Tarf/3/2021-P1-1, dated 27.03.2021 has stated as below.

“I am to invite attention to the reference cited and inform that as per the Budget Estimates 2021-22 approved by Government, the budgetary support in the form of subsidy for the FY 2021-22 to the Energy Department will be as follows:

(Rupees in Lakhs)

<b>S. No.</b>	<b>Head of Account</b>	<b>Scheme Name</b>	<b>Budget Estimates 2021-22</b>
1	“2801-05-800-25-06-330-000”	Assistance to TSTRANSCO for Agricultural and Allied Subsidy (General)	7665,00.00
2	“2801-05-789-25-06-310-312”	Assistance to TSTRANSCO for Agricultural and Allied Subsidy (SCSDF)	1785,00.00
3	“2801-05-796-25-06-310-312”	Assistance to TSTRANSCO for Agricultural and Allied Subsidy (STSDF)	1050,00.00
4	“2801-05-800-25-15-310-312”	Assistance to Spinning Mills	145,00.00
<b>Total</b>			<b>10645,00.00</b>

6. In the circumstances, the Commission considers the request of the TSDISCOMs for continuation of the existing tariff along with cross subsidy and additional surcharge with effect from 01.04.2021 till an order is passed by it on retail supply tariffs, cross subsidy surcharge and additional surcharge for FY 2021-22.

7. It is pertinent to state here that the Commission had earlier passed necessary orders determining the tariff in the matter of special category and tariff for electric

vehicle charging stations / battery swap in the state of Telangana by order dated 15.11.2018 in I. A. Nos. 36 and 37 of 2018 in O. P. Nos. 21 and 22 of 2017. Also the Commission by order dated 18.07.2020 in O. P. No. 18 of 2020 had extended the concessional tariff to Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB) as per policy directions of the State Government.

8. Accordingly, the retail supply tariffs, cross subsidy surcharge and additional surcharge as applicable on 31.03.2019 as per order dated 27.03.2018 are continued and made applicable and can be levied from 01.04.2021 pending disposal of this application finally subject to the communication of the State Government conveying the commitment of subsidy as stated in paragraph 5 above. The tariff determined in respect of electric vehicle charging stations/battery swap as also in respect of concessional tariff to HMWSSB shall also stand continue from 01.04.2021 till the TSDISCOMs file their regular proposals. The TSDISCOMs are directed to file the regular petition for determination of fresh retail supply tariffs, cross subsidy surcharge and additional surcharge for FY 2021-22 immediately.

**This Order is corrected and signed on this the 27<sup>th</sup> day of March, 2021.**

**Sd/-**  
(BANDARU KRISHNAIAH)  
MEMBER

**Sd/-**  
(M. D. MANOHAR RAJU)  
MEMBER

**Sd/-**  
(T. SRIRANGA RAO)  
CHAIRMAN

**//CERTIFIED COPY//**