

Brief note on Annual Revenue Requirement (ARR) and Multi-Year Tariff (MYT) for Distribution Business of Southern Power Distribution Company of AP Limited (APSPDCL) for MYT 5th Control Period (FY 2024-25 to FY 2028-29)

- Sales Forecast, Load Forecast and Investment Plan (with modification in respect of Smart Meters) have been considered as per the Resource Plan filed by the licensee.
- Loss reduction trajectory and Power Procurement Plan have been considered as per the Resource Plan filed by the licensee.
- The summary of key components of the MYT filing are as shown below:

Projected Revenue Requirement for 5th Control Period :

Particulars	FY24 (RE)	FY25	FY26	FY27	FY28	FY29
O&M Charges	3,351	3,281	3,539	4,028	4,411	4,765
Depreciation	819	1,170	1,661	2,186	2,583	2,934
Advance Against Depreciation	0	0	0	0	0	0
Taxes on Income	43	59	84	107	129	143
Other Expenditure	25	25	26	27	28	29
Special Appropriations	0	0	0	0	0	0
Total Expenditure	4,237	4,536	5,311	6,349	7,152	7,871
Less: IDC and expenses capitalized*	197	274	366	331	285	173
Less: O&M expenses capitalized	0	0	0	0	0	0
Net Expenditure	4,040	4,261	4,946	6,018	6,867	7,698
Add Return on Capital Employed	624	803	1,245	1,596	1,935	2,142
Total Distribution ARR	4,664	5,064	6,191	7,615	8,802	9,840
Less: Non-Tariff Income (NTI), Wheeling Revenue from Third Party/Open Access (if any)	437	602	810	1,010	1,162	1,264
Revenue Requirement, (Net transferred to Retail Supply Business)	4,227	4,490	5,502	6,800	7,835	8,770

- Loss trajectory of the licensee proposed for the MYT period is as below:

APSPDCL	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
33 Kv	3.19%	3.18%	3.18%	3.17%	3.16%
11 Kv	3.30%	3.29%	3.29%	3.28%	3.27%
LT	5.07%	5.06%	5.04%	5.03%	5.02%

- The licensee is proposing the following distribution wheeling charges for each year of the control period:

Wheeling Charges for Long Term OA Agreements:

Voltage Level	FY25	FY26	FY27	FY28	FY29
33 kV (Rs./kVA/Month)	83.17	119.60	162.45	193.84	214.42
11 kV (Rs./kVA/Month)	964.49	1098.20	1268.28	1367.17	1431.84
LT (Rs./kVA/Month)	1262.89	1477.11	1740.13	1911.89	2041.81

Wheeling Charges for Short Term OA Agreements:

Voltage Level	FY25	FY26	FY27	FY28	FY29
33 kV (Rs./Unit)	0.12	0.17	0.23	0.27	0.30
11 kV (Rs./Unit)	1.34	1.53	1.76	1.90	1.99
LT (Rs./Unit)	1.75	2.05	2.42	2.66	2.84