



Office of the Executive Officer  
T.T.Devasthanams, Tirupati

Date. 07.01.2024.

To  
The Secretary,  
APEREC,  
11-4-660, 4<sup>th</sup> Floor,  
Singareni Bhavan, Red Hills,  
Hyderabad -500 004

Sir/Madam,

Sub: TTD – Executive Officer Tirupati – Certain Comments/Objections on the ARR& Tariff Proposals for Distribution and Retail Supply Business for the 5<sup>th</sup>Control Period for FY 2024-25 to 2028-29 - Determination of Distribution tariff. – Regarding.

Ref: Public Notice in O.P. No. 74 of 2023, dated 10-12-2023.

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Tirumala Tirupati Devasthanam (TTD) has established a wind power plant of 6 MW capacity at Kaulakonda Hills, Tirumala and a Solar Power Plant of 10 MW capacity at Kosuvaripalli (V), Mudivedu (M), Madanapalli, Chittoor District for Captive purpose. The 10 MW Solar Power would be wheeled at 33 kV voltage and at 11 kV voltage for self-consumption (Captive utilization). The proposed Distribution charges in the APSPDCL ARR filings for MYT period 2024 to 2028 are shown below.

*Table 39: Distribution Wheeling Charges for 5<sup>th</sup> Control Period*

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	1,098.20	1,268.28	1,367.17	1,431.84
LT (Rs./kVA/Month)	1,262.89	1,477.11	1,740.13	1,911.89	2,041.81

Kindly see the 11 kV wheeling charges which ranged from 964.49 to 1431.84 against the Demand charges of Rs. 475/kVA/month. This Demand charge consists of generation fixed cost, transmission fixed cost and distribution fixed cost. The wheeling charges proposed are very high and it is not financially viable for us, and we may have to close our Captive Power Plants. The Solar and Wind power plant is around 20%. The Distribution wheeling cost at 11 kV would be  $964.49/144 = \text{Rs. } 6.70/\text{kWh}$  which is very high and it is better to buy power from APSPDCL rather than availing power from our Captive power plants.

In this regard, and with reference to the Public Notice calling for Views/Objections/Suggestions, we would like to submit the following objections/suggestions.

Need to Determine Energy Based Transmission & distribution Charges:

1). So far, the Hon'ble Commission has determined the Transmission & Distribution Tariff based on capacity to be Wheeled or transmitted. The transmission and wheeling tariffs are exempted for Solar and Wind power plants till 2027 or 2028 depending on the date of commissioning of the project. And the tariffs determined by the Commission did not matter for these NCE based power plants as the same are exempted by Solar and Wind Policies of 2015.

2). The policies issued by GoAP may end by 2027 or 2028 depending on the year of commissioning of the power Plant. The PLF of wind Power Plant is around 20% to 23% in Andhra Pradesh depending on the wind speed and wind density.

3). The generation season of wind and mini hydal power plants is around 4 to 5 months in a year. The Open Access Demand permitted to a Consumer is allowed within the CMD of a consumer. The demand charge of Rs 475/kVA/month is determined considering diversity factor of 60% to 70%.The Demand charge consists of fixed costs of Generation, Transmission

and Distribution business. The same can be seen in the RST of 2017-18 or previous Tariff Orders. Presently, no Demand Charges are being determined and the Demand Tariff determined in the year 2017-18 is being continued. This means, already the transmission and distribution business costs are built in the RST tariff and are being recovered in the form of MD charges. The RST ARR of APSPDCL is furnished below.

### 5.9 Summary of ARR

Aggregate Revenue Requirement (ARR) for Retail Supply Business(Form-1) (Rs. In Crores)

S.No	Revenue Requirement Item (Rs. Crs.)	2023-24	2024-25
1	Transmission Cost	1,415.79	1,628.16
2	SLDC Cost	31.16	35.84
3	Distribution Cost	4,227.29	4,490.33
4	Additional Interest on Pension bonds of APGenco Order	484.79	521.11
5	PGCIL Expenses	606.60	697.59
6	ULDC Charges	1.28	1.47
7	<b>Network and SLDC Cost (1+2+3+4+5+6)</b>	<b>6,766.91</b>	<b>7,374.49</b>
8	Power Purchase / Procurement Cost	15,830.71	15,094.14
9	Interest on Consumer Security Deposits	153.90	176.66
10	Supply Margin in Retail Supply Business	28.87	40.16
11	Other Costs, if any	68.07	173.79
12	<b>Supply Cost (8+9+10+11)</b>	<b>16,081.55</b>	<b>15,484.75</b>
13	<b>Aggregate Revenue Requirement (7+12)</b>	<b>22,848.46</b>	<b>22,859.24</b>

4). Levy of Distribution tariff & Transmission tariff based on capacity contracted may not be a correct approach and is not just, especially for Wind, Solar and Mini Hydal power plants for which PLF is around 18 to 20% on average. The DISCOM is allowing OA/Wheeling capacity within the CMD and the Consumer pays MD charges as per the terms and conditions of tariff. The Hon'ble Commission may please consider levy of reasonable energy based Transmission/Distribution charges for the reasons mentioned below. Whenever the Wind power/Solar Power/Mini Hydal power is not available, the OA/Wheeling consumer will come back on to the DISCOM power as the consumer has CMD with the DISCOM and draws required power from the DISCOM. Thus, the DISCOM recovers its fixed cost in the