



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**R. P. (SR) No. 78 of 2022**

**in**

**O. P. No. 02 of 2022**

**Dated 30.08.2022**

**Present**

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

Transmission Corporation of Telangana Limited

... Review Petitioner

The review petition came up for hearing on 22.08.2022. Sri G. Srinivas, FA & CCA & CPO for review petitioner along with Sri A. Vivekanand, Chief Engineer / Comml. & RAC, TSTransco have appeared on 22.08.2022. The review petition having been heard and having stood over for consideration to this day, the Commission passed the following:

**ORDER**

The Transmission Corporation of Telangana Limited (TSTransco or Review petitioner) has filed the review petition (RP) on 31.12.2021 under Section 94 (1) (f) of the Electricity Act, 2003 seeking review of the Commission Order dated 23.03.2022 in O. P. No. 02 of 2022 in the matter of Annual Performance Review (APR or True up) for FY 2020-21 for SLDC activity of TSTransco filed in compliance of directive No.5 of SLDC annual fee and operating charges order dated 02.03.2020 of the Commission for 4<sup>th</sup> control period (FY 2019-20 to FY 2023-24) read with Regulation No. 1 of 2006 as adopted by the Commission in TSERC (Adoption) Regulation No. 1 of 2014.

2. The Commission in its Order dated 23.03.2022 in O.P.No.02 of 2022 carried out the APR for FY 2020-21 of SLDC activity of TSTransco. The review petitioner filed the instant review petition seeking review of the said Order with the following prayers:

- “a) to consider the instant review Petition of TSTransco and to take on record;
  - b) to review the order dated 23-03-2022 passed in Petition, O. P. No. 02 of 2022; and
  - c) to allow the depreciation amount of Rs.1.35 crore as claimed by the TSTransco towards Capital Cost under ‘Other Expenses’, as the said amount was not covered either in approved Operating Charges (or) Capital Cost of SLDC pursuant to the APR order issued for FY 2020-21;
- or
- d) to allow the SLDC (i) to create a separate fund namely as “LDC Development Fund” for administering capital expenditure / creation of new assets towards capacity building of SLDC, out of depreciation approved under Annual Charges/Other Expenses & registration fee as per Clause 27 and (ii) to deposit other income such as Processing Fee, Surcharge, etc., into separate account namely as “Contingency Reserve” as per Clause 28 of CERC Regulations, 2019 to enable to meet the shortfall amount of annual charges allowed by the Commission.”

3. The contentions of the review petitioner in the review petition are as under:
- a. TSTransco has filed APR petition on 31.12.2021 towards Revenue Surplus in SLDC activity for FY 2020-21 in compliance to the new directive No.5 of 4<sup>th</sup> MYT control period (i.e., for FY 2019-20 to FY 2023-24).
  - b. The Commission has passed APR Order for FY 2020-21 on 23.03.2022 in respect of SLDC activity and the revenue surplus of Rs.4.76 crore as against TSTransco’s pass through (i.e., revenue surplus) of Rs.3.40 crore as per audited Annual Accounts of TSTransco for FY 2020-21.
  - c. In this regard, TSTransco hereby files a review petition on SLDC APR order dated 23.03.2022 passed by the Commission against TSTransco’s offered pass through revenue surplus as per Clause 32 of TSERC (Conduct of Business) Regulation No.2 of 2015.

- d. Accordingly, TSTransco hereby submits the following objections before the Commission for favour of considerations:

**Capital Cost**

- e. TSTransco has filed its APR petition for FY 2020-21 on 31.12.2021 on SLDC activity in compliance to new Directive No.5 of 4<sup>th</sup> MYT order claiming an amount of Rs.1.35 crore towards Capital Cost (Depreciation i.e., residual capital cost of past investments) as per Regulation No.1 of 2006. The same was disallowed by the Commission while passing the SLDC APR order. TSTransco has pleaded for review on the following grounds:
- i. Government of Telangana State (GoTS) vide G.O.Ms.No.9 dated 17.09.2014 notified that SLDC shall be operated by TSTransco, which has been notified as State Transmission Utility (STU). Further, SLDC activity shall be maintained with no profit/loss, hence, disallowance of Capital Cost (Depreciation) on fixed assets of SLDC will have an impact on collection of Annual Fee / Operating Charges from Power Generators / Developers and which affects the funding of future investments in SLDC activity.
  - ii. Further, as per Clause 18 of CERC (Fees and Charges of regional Load Despatch Centre and other related matters) Regulations, 2019, Annual Charges of Load Dispatch Centre include depreciation.
  - iii. In this connection, it is pertinent to state that as per Clause 4.5.3 of SLDC Regulation No.1 of 2006, any expense which is not covered under Operation & Maintenance Expenses and Capital Cost shall be claimed under Other Expenses.

4. The Commission heard the representatives of the review petitioner. It also perused the relevant material including the original order passed by the Commission. The submissions of representative of the review petitioner at the time of hearing are as extracted below:

Record of proceeding dated 22.08.2022

“The representative of the review petitioner has made detailed submissions as to why review of the order passed by the Commission is required. He also sought to explain why review should be undertaken in the matter in accordance with the provisions of the law. ....”

5. Now, the point that has come up for consideration in this matter is –  
‘Whether the APR order dated 23.03.2022 in O.P.No.02 of 2022 in the matter of Annual Performance Review (APR or True up) for FY 2020-21 for SLDC activity of TSTransco, is liable for review as sought by the review petitioner?’

6. The Commission’s view regarding allowing the capital cost in its Order dated 23.03.2022 on APR for FY 2020-21 is as under:

“4.2.3 The Commission directed the Applicant to submit the details of actual capital investments vis-à-vis the approved investments for FY 2020-21. In reply, the Applicant submitted the details of investments made during FY 2020-21 amounting to Rs.0.34 crore. Further, the Applicant in the APR filings has submitted that the capital expenditure for FY 2020-21 was met from the Applicant’s Transmission Business.

4.2.4 Clause 4.3 of the Regulation No.1 of 2006 stipulates that the Capital Cost shall cover the repayment of principal amount and payment of interest on investments in a year, plus any residual component of past investments. Since, the Applicant has not availed loan during FY 2020-21 and there are no past loans, therefore, the Commission is of view that Capital Cost should not be allowed in FY 2020-21.

Therefore, the Commission does not find any infirmity in the order passed by it nor it calls for interference by way of review. None of the ingredients of reviewing an order as set out in Order 47 of Civil Procedure Code have been satisfied in this case. The review petitioner has not been able to show as to the following aspects for undertaking a review of the order.

- a. Where there is a typographical mistake that has crept in the order;
- b. When there is an arithmetical mistake that has crept in while effecting calculation or otherwise;

- c. When there is a mistake committed by Commission, which is apparent from the material facts available on record and/or in respect of application of law;
- d. When the Commission omitted to take into consideration certain material facts on record and 'law on the subject' and that if on taking into consideration those aspects, there is a possibility of Commission coming to a different conclusion contrary to the findings given;
- e. If the aggrieved party produced new material which he could not produce during the enquiry in spite of his best efforts and had that material or evidence been available, the Commission could have come to a different conclusion;

7. In view of the above, the Commission is not inclined to review the order dated 23.03.2022 in O. P. No. 02 of 2022 and accordingly the present review petition is dismissed as non-maintainable.

**This Order is corrected and signed on this the 30<sup>th</sup> day of August, 2022.**

Sd/- (BANDARU KRISHNAIAH) MEMBER	Sd/- (M.D.MANO HAR RAJU) MEMBER	Sd/- (T.SRIRANGA RAO) CHAIRMAN
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