

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
(Constituted under section 82 (1) of the Electricity Act, 2003)
(Central Act 36 of 2003)

PRESENT:-

Thiru S.Akshayakumar	Chairman
Thiru G.Rajagopal	Member
and		
Dr.T.Prabhakara Rao	Member

I.A.No.1 of 2017
in
R.P.No.4 of 2017
and
R.P.No.4 of 2017

Tamil Nadu Generation and Distribution Corporation Ltd.
(TANGEDCO)
144, Anna Salai
Chennai – 600 002.

... Petitioner
(Thiru M.Gopinathan
Standing Counsel for TANGEDCO)

NIL Vs. ...Respondent

Dates of hearing : 13-11-2017 and 19-12-2017

Date of Order : 13-03-2018

The R.P.No.4 of 2017 came up for final hearing on 19-12-2017. The Commission upon perusal of the Petition and connected records and after hearing the submissions of the Petitioner hereby makes the following:

ORDER

1. Prayer of the Petitioner in R.P.No.4 of 2017:-

The prayer of the Petitioner in the above R.P.No.4 of 2017 is to-

- (i) revise & approve the T&D losses for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16 based on Loss Assessment Study Report and T&D loss approval for the control period 2016-17 to 2018-19.
- (ii) revise fuel related gains and allow short term provisions for power purchase in the true-up of FY 2011-12 to FY 2015-16.
- (iii) remove the cap implemented for calculation of Cross subsidy Surcharge in line with the consultative paper issued by MoP and revisit the Cross Subsidy surcharge to minimise the revenue loss of TANGEDCO.
- (iv) allow the methodology to claim Return on Equity for the Distribution Function from the FY 2016-17 post implementation of UDAY scheme and to allow the same at the time of True-up Petition to be submitted for the respective years.
- (v) rectify the errors with respect to-
 - (a) fixed cost for generation function for FY 2017-18 in Table 4-33 of the Tariff Order.
 - (b) Other interest and finance charges for distribution function for FY 2016-17 in Table 4-31 and Table 4-54 of the Tariff Order.
 - (c) MOD ranking for FY 2016-17 to FY 2018-19 in Tables 4-47,4-48 and 4-49 of the Tariff Order.
 - (d) Power Purchase cost for FY 2016-17 to FY 2018-19 in Tables 4-50, 4-51 and 4-52.
- (vi) subsequently revise the ARR for the Control period FY 2016-17 to FY 2018-19.

- (vii) subsequently revise the revenue gap/(surplus) at existing tariff for FY 2016-17 & FY 2017-18 and the revenue gap/(surplus) at approved tariff for FY 2016-17 .
- (viii) subsequently revise the regulatory asset at the end of FY 2016-17 based on the corrections mentioned in above sections.
- (ix) revise the loss applicable to open access consumer taking into account of energy flow and revised loss to 33 kV voltage.
- (x) grant any other relief/s as it deems fit in to the matter and pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

I.A. No.1 of 2017 in the above R.P. has been filed for condonation of delay of 33 days in filing the R.P.

2. Facts of the Case:-

The petition has been filed to review certain items of the order dated 11th August 2017 in T.P. No. 1 of 2017 in the matter of Final True-up of FY 2011-12 to FY 2015-16 and Approval of ARR for FY 2016-17 to FY 2018-19 and determination of Tariff for FY 2017-18 for Generation and Distribution made under the provisions of Section 94 (1) of Electricity Act, 2003 & Clause 43 (1) of TNERC (Conduct of Business) Regulations, 2004.

3. Contentions of the Petitioner in R.P.No.4 of 2017:-

The contention of the Petitioner to review the tariff order of the Commission dated 11.08.2017 under various heads are as follows:-

I T&D Loss

3.1 The Commission in its first MYT Order dated July 31, 2010, (Page 91) had approved the combined T&D losses and set a trajectory for reduction of T&D losses with annual reduction of 0.4% for the ensuing years.

Particulars	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Loss level in % including wheeling units and without 5% Agriculture Sampling	18.00	17.60	17.20	16.80	16.40	16.00	15.60

3.2. T&D loss of 18% is a computed figure without any study and includes wheeling units. It is also submitted that it would have been more relevant to fix T&D loss trajectory based on 5% agriculture sampling for the Control Period rather than considering the computed figure of 18%.

3.3. If the loss trajectory as per the Commission is considered, i.e. 18%, it shall result into a reduction of 5.33% loss (22.13%-16.80%) which is an uphill task and the same needs to be brought down to a reasonable value. TANGEDCO would like to submit that measurement of the T&D losses and thereafter specifying a reduction target is an important component of the whole exercise of revenue requirement.

3.4. In the Report "Loss Reduction Strategies Review of Provisions in Act and Policies" issued by Forum of Regulators in September 2008, FOR Group has specified in para 8.4.1 of page No. 21 of the report that-

“The group felt that the trajectory for loss reduction should be determined keeping in view the actual loss levels, the capital expenditure made in the past for improving the network infrastructure, and the future capital expenditure plans for the purpose. This was important keeping in view the Orissa experience, where the loss level allowed in tariff at the beginning of the reforms process was much below the actual loss level and this completely distorted the revenue requirement and the utility went into a perennial loss”.

3.5. The computed consumption without sample study was higher than the computed consumption based on sample study. The revised T&D loss trajectory needs to be fixed for the Control Period from FY 2010-11 to FY 2012-13. TANGEDCO requested that it should not be penalised by disallowance of additional power purchase cost due to a higher than approved T&D loss.

3.6. As per the directives of the Commission in its Suo-Motu order dated 4th June 2013 in S.M.P.No.3 of 2013, TANGEDCO has submitted the study report to assess the Distribution Loss using the Rural Electrification Corporation (REC) methodology. The Distribution Loss during the period April 2015 to March 2016 is 12.91%. The sub-transmission loss for FY 2015-16 as per the Energy Balance is 1.52%. When this sub-transmission loss is summed up with Distribution Loss arrived at using REC methodology, total Distribution Loss works out to 14.43%. Further, Distribution Loss of 14.43% arrived at using REC methodology is comparable with the AT&C loss of 14.58% for FY 2015-16 committed in the UDAY MoU.

3.7. The Commission has not accepted the study report submitted by TANGEDCO while approving the T&D loss for FY 2011-12 to FY 2015-16 while truing up. The Commission has approved the same losses as approved in earlier orders and Suo-Motu Order dated June 4, 2013 as per the above clause. However, the Commission has accepted the same study report for the control period FY 2016-17

to 2018-19. The total T&D loss approved by the Commission for FY 2016-17 is 18.40% whereas for the year FY 2015-16 is 15.60%.

3.8. The Commission in its tariff order has noted that it is appropriate to restate the Distribution Losses, based on the Loss Assessment Report submitted by TANGEDCO. The T&D loss for the FY 2011-12 to 2015-16 is to be reconsidered and revised based on the above study report and T&D loss approved by the Commission for the control period 2016-17 to 2018-19. If this is not done, the Distribution Loss trajectory for the years FY 2011-12 to 2015-16 may not reflect the ground reality. TANGEDCO would also be subject to continuous disallowance of certain power purchase expenses on account of actual Distribution Losses being higher than the targeted losses, which would further hinder the viability of TANGEDCO in the long run.

3.9. The T&D loss approved by the Commission has been arrived without any support data for FY 2011-12 to 2015-16.

II Cross Subsidy

3.10. The Tariff Policy provides that State Electricity Regulatory Commissions should notify a roadmap such that tariffs are in $\pm 20\%$ of Average Cost of Supply. The First proviso to para 8.5.1 of Tariff Policy, 2016 also specifies that Cross Subsidy Surcharge (CSS) should be capped at 20% of the tariff applicable to the category of consumers. Ministry of Power in its "Consultation Paper on Issues Pertaining to Open Access" dated 24th August 2017 has specified that the Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of cross subsidy

and bring tariff at +/- 20% Average Cost of Supply, however it restricts Cross Subsidy Surcharge at 20% of the consumer tariff. In case the consumer tariff is more than 120% of Average Cost of Supply, DISCOM will not be able to recover losses through cross subsidy surcharge in case consumer opts for open access.

3.11. The consultative paper issued by MoP, it is clearly stated that the Cross Subsidy Surcharge calculated by State Electricity Regulatory Commissions (SERCs) and recovered from Open Access consumers is often insufficient to recover the entire loss of cross subsidy on account of consumers procuring power through the Open Access route due to such mismatch in two provisions and in case the first one is not implemented successfully, then the second provision of capping will also not to be implanted to that extent. Therefore, the roadmap for both the Reduction in Cross Subsidy and the capping of CSS can be considered by the Commission and this cap may not be made applicable in the first year.

3.12. The Commission have calculated CSS based on the National Tariff Policy 2016, whereby the CSS has been capped at 20% of ABR or CSS calculated as per formula, whichever is lower i.e. restricting CSS at 20% of the consumer tariff whereas the tariff for HT industries, Commercial Railway Traction, Government and Private Educational Institutes are still higher than 120% of Average Cost of supply clearly violating the provision of National Tariff Policy. This partial implementation of the policy would result into lower revenue recovery by TANGEDCO in case of consumers opting for open access as the cross subsidy surcharge will offset only 20% of the Revenue loss. The details of the Cross subsidy prevalent within the tariff

structure of the category which exceeds $\pm 20\%$ of Average Cost of Supply is highlighted as below:

Consumer Category and Consumption Slab	ABR	ACOS	ABR / ACOS
HT Category			
HT industries	8.37	5.85	143%
Railway Traction	7.71	5.85	132%
Government Educational Institution etc. (HT)	7.58	5.85	129%
Pvt. Educational Institutions etc.	8.05	5.85	137%
Commercial and other HT	9.91	5.85	169%
LT Category			
Domestic	3.52	5.85	60%
Huts	3.00	5.85	51%
Pvt. Educational Institutions	8.34	5.85	142%
Agriculture & Government seed farm	2.88	5.85	49%
Commercial and Other	8.75	5.85	150%

3.13. The approach adopted by the Commission violates the provision of the Electricity Act, 2003 even though it is in line with the National Tariff Policy, 2016. National Tariff Policy, 2016 is a guideline and not binding on the Commission, whereas, Electricity Act, 2003 is binding on all SERCs to be followed and hence NTP 2016 cannot ultravires the provision of the Electricity Act, 2003 and hence the CSS should be recalculated to meet the current level of subsidy within the area of supply in case of consumers migrating to open access.

III Return on Equity

3.14. As per the Tariff regulations issued by the Commission, a return @ 14% on the equity base is considered as reasonable and hence allowed by the Commission. Accordingly, TANGEDCO computed the Return on Equity considering a rate of return at 14% which the Commission has disallowed for the Distribution Function of TANGEDCO with a view that the entire capitalization requirement during the year is met through loan borrowings. Further, the Commission opines that equity if infused as a part of capitalisation can only attract returns on Equity. The Commission in the tariff order averred that equity addition can be allowed in a Financial Year only if there is additional capitalisation during that particular year in line with the Regulation 19 of TNERC Tariff Regulations, 2005.

3.15. The Utility is entitled for Return on Equity every year to carry out future capacity additions.

3.16. Return on Equity cannot be denied as it will only push it into further losses. Return on equity is allowed under the Act and TNERC Tariff Regulations. Also, National Tariff Policy favours the Return on Investment to be provided to the Utilities.

3.17. The basic intention of allowing Return on Equity (RoE) is that the RoE earned during the year or previous years can be invested to fund some of the equity portion of the capital expenditure in the subsequent years. As per provisions in the Act and Regulations, TANGEDCO has full liberty to invest equity in any project upto 30%. The return on equity earned (through MYT) during the year can be invested to fund

some of the equity portion of the capital expenditure in the subsequent years. It is prayed that the equity investment for the control period need not be disapproved based on funding pattern adopted by TANGEDCO in the previous years.

3.18. The interest on loan has a weighted average rate of interest of 11.37% whereas TANGEDCO is entitled to a RoE of 14% (Post Tax). As a matter of fact, the total interest expenses as approved by the Commission has actually incurred by TANGEDCO for the fact which is already mentioned in the petition. Therefore, TANGEDCO is entitled for a RoE of 14% (Post Tax) which is in line with the Regulations.

3.19. The grievance of TANGEDCO that RoE is not allowed for entire equity which is also been provided in the Balance Sheet as per the transfer scheme notification. It is submitted that the precarious financial position faced by TANGEDCO is for past few years whereas the equity has already been infused in the System from the time the erstwhile TNEB prevails. Even in the Tariff Order dated 31st July 2010, the Commission has allowed ROE for Year 2010-11 to 2012-13, even though the same precarious financial situation was faced by TANGEDCO in the given year. Now there is no reason or justification to treat differently and deny TANGEDCO with respect to its claim of ROE.

3.20. There were certain capitalization undertaken in FY 2013-14 to FY 2015-16 which were funded through Equity and Debt and therefore, the similar stand taken for FY 2011-12 by the Commission in its tariff order dated 31st March 2012 cannot be

considered for the future years without any detailed calculation. If the same approach will be adopted by the Commission, then TANGEDCO may be deprived of RoE for future years too.

3.21. The detailed computation of GFA has not been provided in the Tariff Order, though the reference of the orders on the basis of the Depreciation calculation has been provided in the tariff order. Based on the reference as provided, TANGEDCO has estimated GFA for Generation, Distribution Function and for Overall TANGEDCO without considering any impact of revaluation of Asset so as to analyse the impact of debt with respect to GFA post UDAY scheme. The details of GFA computed along with the reference of the amount is outlined as below:

Particulars – Generation	Source	FY 2011-12	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Opening GFA	Suo Moto Order dated 20th June 2013	10,558.49	11,125.68	22,804.41	23,625.80	28,505.96	28,713.22	29,822.73
Capitalisation		94.90	11,678.72	821.39	4,880.16			
Capitalisation	M.P.No.28 of 2016					207.26	1,109.51	1,210.58
Closing GFA		10,653.39	22,804.40	23,625.80	28,505.96	28,713.22	29,822.73	31,033.31
Particulars - Distribution	Source	FY 2011-12	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Opening GFA	Suo Moto Order dated 20th June 2013	8,797.17	10,595.11	12,769.34	15,272.22	17,829.55	22,864.40	25,802.94
Capitalisation		1,797.94	2,174.23	2,502.88	2,557.33			
Capitalisation	M.P.No.28 of 2016					5,034.85	2,938.54	2,025.13
Closing GFA		10,595.11	12,769.34	15,272.22	17,829.55	22,864.40	25,802.94	27,828.07
Particulars - Total	Source	FY 2011-12	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19

Opening GFA	Suo Moto Order dated 20th June 2013	19,355.66	21,720.79	35,573.75	38,898.02	46,335.51	51,577.62	55,625.67
Capitalisation		1,892.84	13,852.95	3,324.27	7,437.49	-	-	-
Capitalisation	M.P.No.28 of 2016					5,242.11	4,048.05	3,235.71
Closing GFA		21,248.50	35,573.74	38,898.02	46,335.51	51,577.62	55,625.67	58,861.38

3.22. In the above table, the GFA of Generation function is estimated to be increased from Rs.10653 Crs to Rs.31033 Crs and for Distribution function, the same is estimated to be increased from Rs.10595 Crs to Rs.27828 Crs in 7 year period i.e. from FY 2011-12 to FY 2018-19. However, in the impugned order, the Commission though has provided the RoE on generation function but has declined RoE on Distribution function based on the judgment passed in the earlier order.

3.23. Considering the Loan amount as approved in the Tariff Order “*T.P. No.1 of 2017 dated 11-08-2017*”, the debt proportion is still lower than the total GFA Base and TANGEDCO would be still entitled to claim RoE on the balance amount and according to TANGEDCO might have been ignored by the Commission. The detail of the calculation is provided as below:

Particulars	Source	FY 2016-17	FY 2017-18	FY 2018-19
Op. Loan	T.P. No.1 of 2017 dated 11-08-2017	38,578.87	41,466.36	42,119.13
Op. GFA		46,335.51	51,577.62	55,625.67
% of Total Loan		83.26%	80.40%	75.72%
% of Equity		16.74%	19.60%	24.28%

3.24. In line with the above table, even if UDAY impact is not considered, TANGEDCO is entitled of RoE on overall GFA (including Generation and Distribution) in the range of 16% to 24%.

3.25. In addition to the additional capitalization undertaken in future years, It is also submitted that, TANGEDCO has participated into UDAY scheme in FY 2016-17, whereby 75% of the loans of Distribution function has been taken over by Government of Tamil Nadu and therefore the revenue expenditure which has been met through loan is offset by State Government by writing it off from the books of TANGEDCO.

3.26. It is submitted that under the UDAY scheme, Rs. 22,815 Crs (75% of the Rs 30,420 - debt outstanding as on 30th September, 2015) will be taken over by GoTN and balance converted into bonds by TANGEDCO and guaranteed by GoTN. Therefore TANGEDCO's present loan balance is towards creation of capital assets and the revenue loan has been nullified post UDAY.

3.27. The approach of the Commission towards RoE in its earlier Orders (Suo-moto order dated 11th December, 2014) was based on the understanding that the available funding source was getting diverted towards revenue account. But now as Rs 22,815 Crs of loan has been taken over by the GoTN, TANGEDCO is requesting the Commission to rework the funding pattern of the loans for the control period FY 2016-17

to FY 2018-19.

3.28. Based on the above observation of the Commission, Revenue loan has been nullified by taking over of 75% of loan by UDAY scheme and the Balance Debt and equity is in relation to Capitalised assets.

3.29. Post UDAY impact, the Debt:Equity is rework only for distribution function for which RoE has been declined by the Commission. The table below outlines the proportion of debt as compare to GFA of Distribution function which is lower than norm of 70% as prescribed in the Tariff Regulations:

Particulars	Source	FY 2016-17
Op. Loan	As per Uday Scheme	30,420.00
Taken over under UDAY	As per Scheme - 75% of 30,420	22,815.00
Cl. Balance		7,605.00
Cl. GFA		22,864.40
% of Total Loan		33.26%

In the above table, post UDAY, the debt proportion for distribution function has been computed to 33% and hence the equity proportion has been utilised for the funding of assets.

3.30. The additional capitlisation undertaken or to be undertaken is also required to be considered based on funding from Debt and Equity. As outlined in the tariff order under table 4-17 for calculation of approved interest expenses, the Commission has calculated additional Loan for CAPEX and the same is compared with the capitalisation of assets during the year, the balance still remains which is required to be funded by RoE and is outlined in the following table:

Particulars	Function	FY 2015-16	FY 2016- 17	FY 2017-18	FY 2018-19
Capitalisation	Generation	4,880.16	207.26	1,109.51	1,210.58
	Distribution	2,557.33	5,034.85	2,938.54	2,025.13
	Total	7,437.49	5,242.11	4,048.05	3,235.71
Loan Addition for CAPEX		4,283.40	5,026.93	3,012.89	2,210.32
Balance to be funded		3,154.09	215.18	1,035.16	1,025.39

3.31. The order of the Commission dated 12th August 2017 has stated as follows for the allowance of RoE:

“As the Suo-Motu Order of the Commission has not been further appealed before any higher authority, it has attained finality. Hence, the Commission has adopted the same approach while approving RoE as adopted in the earlier Orders. Funding of capital expenditure has been considered entirely through loans and hence, no RoE has been approved in the truing up for FY 2011-12 to FY 2015-16.”

3.32. Though the suo-moto order was not appealed, the approach of approving RoE is limited to the Period till FY 2015-16 and the similar approach cannot be adopted for the control period FY 2016-17 to FY 2018-19 as many events are independent to the approach adopted in the past order such as additional capitalisation during the year, Loan taken over by State Government under UDAY scheme, Equity infusion by State Government, etc.

IV Summation error in approval of fixed charges for generation function for FY 2017-18 in Table 4-33 of the Tariff Order

3.33. The total fixed cost approved for Valuthur GTPS in Table 4-33 (Page 225 of Tariff Order No. T.P No. 1 of 2017 dated 11th August 2017) is incorrect due to

summation error. The correct value of total fixed cost for Valathur GTPS for FY 2017-18 is Rs. 263.83 Crs against Rs. 208.10 Crs approved in Table 4-33 in Tariff Order. In spite of the above summation error the total fixed charge of Rs. 5028.25 Crs approved for FY 2017-18 is correct.

V Other interest and finance charges

3.34. While approving the summary of fixed cost for distribution function in Table 4-31 (Page 222 of Tariff Order No. T.P No. 1 of 2017 dated 11th August 2017), the other interest and finance charges approved for FY 2016-17 is 776.76 Crs whereas the charges should have been Rs 762.27 Crs based on the components of other interest and finance charges approved in earlier tables of the Tariff Order.

3.35. The calculation of Rs.762.27 Crs is tabulated below.

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1	Other Interest and Finance Charges (IFC) as per Table 4-20	245.15	245.15	245.15
2	Other IFC for generation function as per table 4-32, 4-33, 4-34 for FY17, FY18, FY19	49.78	32.81	32.51
3	Other IFC for distribution function (1-2)	195.37	212.34	212.64
4	Interest on security deposit (distribution function) as per Table 4-19	566.90	613.19	668.93
5	Total - Other IFC for distribution function (3+4)	762.27	825.52	881.57
6	Total - Other IFC for distribution function as per Table 4-31	776.76	825.52	881.57

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
7	Difference (5-6)	-14.49	0.00	0.00

3.36. There is a difference/ excess approval of Rs. 14.46 Crs in FY 2016-17 for other interest and finance charges for distribution function in Table 4-31 of the Tariff Order.

3.37. Based on the above submission the fixed cost summary for distribution function for FY 2016-17 as approved by the Commission and as calculated by TANGEDCO is tabulated below.

S. No.	Particulars	As approved in T.O. dt 11.08.17	Revised/ TANGEDCO	Difference
1	Operation & Maintenance Expenses	4989.42	4989.42	0.00
2	Depreciation	910.73	910.73	0.00
3	Interest and Finance Charges	1524.32	1524.32	0.00
4	Interest on Working Capital	0.00	0.00	0.00
5	Return on Equity	0.00	0.00	0.00
6	Other Debits	0.00	0.00	0.00
7	Other Interest and Finance Charges	776.76	762.27	14.49
8	Gross Aggregate Revenue Requirement	8201.23	8186.74	14.49
9	Less: Other Income	422.09	422.09	0.00

10	Less: Non-Tariff Income	851.20	851.20	0.00
11	Net Aggregate Revenue Requirement	6927.94	6913.45	14.49

Therefore the correct net ARR for FY 2016-17 for the distribution function is Rs. 6913.45 Crs against Rs 6927.94 Crs approved by the Commission.

3.38. Based on the above submission, the other interest and finance charges for FY 2016-17 approved in Table 4-54 (Page 249 of Tariff Order No. T.P No. 1 of 2017 dated 11th August 2017) also needs to be revised to Rs.762.27 Crs against Rs.776.76 Crs approved by the Commission. This will result in reduction in ARR for the FY 2016-17.

Particulars	FY 2016-17		
	As approved in T.O. dt 11.08.17	Revised	Difference
Power Purchase Expenses (incl. Trans. Charges)	38043.54	38043.54	0.00
Operation & Maintenance Expenses	4989.42	4989.42	0.00
Depreciation	910.73	910.73	0.00
Interest and Finance Charges	1524.32	1524.32	0.00
Interest on Working Capital	0.00	0.00	0.00
Return on Equity	0.00	0.00	0.00
Other Debits	0.00	0.00	0.00

Other Interest and Finance Charges	776.76	762.27	14.49
Gross Aggregate Revenue Requirement	46244.76	46230.27	14.49
Less: Other Income	422.09	422.09	0.00
Less: Non-Tariff Income	851.20	851.20	0.00
Net Aggregate Revenue Requirement	44971.47	44956.98	14.49

Therefore, it is submitted that the correct approved ARR for FY 2016-17 is Rs. 44,956.98 Crs against Rs 44971.47 Crs approved by the Commission resulting in difference of Rs. 14.49 Crs.

3.39. TANGEDCO submits to the Commission to rectify the errors in Table 4-31 and 4-54 of the Tariff Order dated 11th August, 2017 or provide a clarification to the same.

VI MOD Ranking and Power Purchase Cost for FY 2016-17 to FY 2018-19

3.40. The MOD stack ranking for FY 2016-17 to FY 2018-19 in Tables 4-47, Table 4-48 and Table 4-49 (Page 238 to 241 of Tariff Order No. T.P No. 1 of 2017 dated 11th August 2017) is incorrect with respect to State generating stations. Though the variable cost is in an increasing order the name of the plants mentioned against the approved variable cost is incorrect for few state generating plants.

The correct order of the MOD ranking for State generating stations is tabulated below.

MOD Stack Ranking	FY 2016-17		FY 2017-18		FY 2018-19	
	Plants	Variable Cost (Rs./kWh)	Plants	Variable Cost (Rs./kWh)	Plants	Variable Cost (Rs./kWh)
1	VGTPS	2.21	NCTPS St-II	2.11	NCTPS St-II	2.18
2	TKGTPS	2.31	VGTPS	2.27	NCTPS	2.30
3	KGTPS	2.34	NCTPS	2.29	VGTPS	2.34
4	NCTPS St-II	2.36	TKGTPS	2.38	TKGTPS	2.45
5	NCTPS	2.48	KGTPS	2.41	KGTPS	2.48
6	TTPS	3.40	MTPS	2.88	ETPS Exp II	2.64
7	MTPS	3.52	MTPS St-III	2.97	MTPS	2.97
8	MTPS St-III	3.63	TTPS	3.02	MTPS St-III	3.06
9	ETPS	3.90	BBGTPS	10.76	TTPS	3.11
10	BBGTPS	10.76			BBGTPS	10.76

3.41. The approved power purchase cost for FY 2016-17 to FY 2018-19 in tables 4-50, 4-51 and 4-52 (Page 242 to 248 of Tariff Order No. T.P No. 1 of 2017 dated 11th August 2017) are incorrect for State generating plants. Though the total power purchase cost for FY 2016-17 and FY 2018-19 are correct, the cost approved against coal based state generating plants are incorrect. The difference is due to typographical error for values against coal based State generating plants in FY 2016-17 and FY 2018-19.

3.42. The revised power purchase cost for FY 2016-17 and FY 2018-19 for State generating stations is tabulated below.

Revised Power Purchase Cost for FY 2016-17

Particulars	Quantum	Fixed Cost (Rs Crs)	Energy Charge (Rs./kWh)	Energy Charge (Rs. Crs)	Total Cost (Rs. Crs)	Total Cost (Rs./kWh)
ETPS	0.00	463.01	3.90	0.00	463.01	-
TTPS	1212.15	900.04	3.40	411.77	1311.81	10.82
MTPS	0.00	627.45	3.52	0.00	627.45	-
MTPS St-III	0.00	357.78	3.63	0.00	357.78	-
NCTPS	4039.76	759.72	2.48	1001.23	1760.95	4.36
NCTPS St-II	7694.78	578.20	2.36	1818.43	2396.63	3.11
Total Coal	12946.69	3686.20		3231.43	6917.63	
TKGTPS	710.66	150.23	2.31	163.92	314.15	4.42
KGTPS	665.34	125.86	2.34	155.69	281.55	4.23
BBGTPS	0.00	154.12	10.76	0.00	154.12	-
VGTPS	1231.87	201.00	2.21	271.78	472.78	3.84
Total Gas	2607.87	631.21		591.39	1222.60	
Kundah HEP	1695.00	336.46			336.46	1.99
Kadamparai HEP	477.00	146.50			146.50	3.07
Tirunelveli HEP	1096.00	207.68			207.68	1.89
Erode HEP	756.26	250.61			250.61	3.31
Total Hydro	4024.26	941.25	0.00	0.00	941.25	
Wind	12.00		2.75	3.30	3.30	
Total Generation	19590.82	5258.64	1.95	3826.12	9084.78	4.64

Revised Power Purchase Cost for FY 2018-19

Particulars	Quantum	Fixed Cost (Rs Crs)	Energy Charge (Rs./kWh)	Energy Charge (Rs. Crs)	Total Cost (Rs. Crs)	Total Cost (Rs./kWh)
ETPS Expansion	1735.17	284.28	2.64	458.62	742.90	4.28
TTPS	5811.71	854.87	3.11	1807.11	2661.98	4.58
MTPS	5386.35	604.33	2.97	1597.95	2202.28	4.09
MTPS St-III	3847.39	447.46	3.06	1178.62	1626.08	4.23
NCTPS	4039.76	788.98	2.30	927.45	1716.43	4.25
NCTPS St-II	7694.78	854.07	2.18	1680.35	2534.42	3.29
Total Coal	28515.17	3833.99		7650.10	11484.09	
TKGTPS	710.66	137.44	2.45	173.90	311.34	4.38
KGTPS	665.34	102.70	2.48	165.17	267.87	4.03
BBGTPS	0.00	191.11	10.76	0.00	191.11	-
VGTPS	1231.87	209.57	2.34	288.33	497.90	4.04
Total Gas	2607.87	640.82		627.40	1268.22	
Kundah HEP	1324.43	296.29			296.29	2.24
Kadamparai HEP	996.00	127.90			127.90	1.28
Tirunelveli HEP	2425.00	158.83			158.83	0.65
Erode HEP	1030.00	227.44			227.44	2.21
Total Hydro	5775.43	810.46	0.00	0.00	810.46	
Wind	12.00		2.75	3.30	3.30	
Total Generation	36910.47	5285.25	2.24	8280.80	13566.07	3.68

3.43. For FY 2017-18, the fixed cost considered for VGTPS is incorrect against the

cost approved resulting in shortfall of Rs. 55.76 Crs. The revised power purchase cost for FY 2017-18 is tabulated below.

Particulars	Quantum	Fixed Cost (Rs Crs)	Energy Charge (Rs./kWh)	Energy Charge (Rs. Crs)	Total Cost (Rs. Crs)	Total Cost (Rs./kWh)
ETPS						
TTPS	839.48	810.86	3.02	253.44	1064.30	12.68
MTPS	5386.35	582.34	2.88	1551.41	2133.75	3.96
MTPS St-III	3847.39	473.05	2.97	1144.29	1617.34	4.20
NCTPS	4039.76	700.97	2.29	926.72	1627.69	4.03
NCTPS St-II	7694.78	928.29	2.11	1626.71	2555.00	3.32
Total Coal	21807.76	3495.51		5502.57	8998.08	
TKGTPS	710.66	129.36	2.38	168.85	298.21	4.20
KGTPS	665.34	105.48	2.41	160.35	265.83	4.00
BBGTPS	0.00	218.08	10.76	0.00	218.08	-
VGTPS	1231.87	263.83	2.27	279.93	543.76	4.41
Total Gas	2607.87	716.75		609.13	1325.88	
Kundah HEP	1311.97	236.79			236.79	1.80
Kadamparai HEP	956.00	113.76			113.76	1.19
Tirunelveli HEP	2411.00	301.21			301.21	1.25
Erode HEP	1026.00	164.24			164.24	1.60
Total Hydro	5704.97	816.00	0.00	0.00	816.00	
Wind	12.00		2.75	3.30	3.30	
Total Generation	30132.60	5028.24	2.03	6115.00	11143.26	3.70

3.44. The difference in power purchase cost approved for FY 2017-18 and as

determined above is tabulated below. This has resulted in difference/ shortfall of Rs. 55.76 Crs for FY 2017-18.

Particulars	As per Table 4-51 of T.O. dt. 11.08.17			Correct Power purchase cost for FY 2017-18			Difference in FC and TC (Rs.Crs)
	Fixed Cost (Rs. Cr.)	Total Cost (Rs. Cr.)	Rate (Rs./unit)	Fixed Cost (Rs. Cr.)	Total Cost (Rs. Cr.)	Rate (Rs./unit)	
Own Generating Stations	4972.50	11087.50	3.68	5028.26	11143.26	3.70	-55.76
Central Generating Stations	2809.66	10928.25	3.46	2809.66	10928.25	3.46	0.00
IPPs	401.96	564.08	6.83	401.96	564.08	6.83	0.00
Renewables	179.19	4108.42	4.26	179.19	4108.42	4.26	0.00
Traders	5426.26	10373.10	4.04	5426.26	10373.10	4.04	0.00
TANTRANSCO charges		2193.88			2193.88		
PGCIL Charges		900			900		
SLDC Charges		24.28			24.28		
Total Power Purchase Cost	13789.57	40179.52	4.10	13845.33	40235.28	4.11	-55.76

VII ARR and Revenue Gap for the Control Period FY 2016-17 to FY 2017-18

3.45. Based on the typographical errors mentioned above, the **revised ARR for FY 2016-17 and FY 2017-18** is tabulated below.

Particulars	FY 2016-17			FY 2017-18		
	As approved in T.O. dt 11.08.17	Revised	Difference	As approved in T.O. dt 11.08.17	Revised	Difference
Power Purchase Expenses (incl. Trans. Charges)	38043.54	38043.54	0.00	40179.52	40235.28	-55.76
Operation & Maintenance Expenses	4989.42	4989.42	0.00	5393.95	5393.95	0.00
Depreciation	910.73	910.73	0.00	1172.58	1172.58	0.00
Interest and Finance Charges	1524.32	1524.32	0.00	1729.92	1729.92	0.00
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00
Return on Equity	0.00	0.00	0.00	0.00	0.00	0.00
Other Debits	0.00	0.00	0.00	0.00	0.00	0.00
Other Interest and Finance Charges	776.76	762.27	14.49	825.52	825.52	0.00
Gross Aggregate Revenue Requirement	46244.76	46230.27	14.49	49301.49	49357.25	-55.76
Less: Other Income	422.09	422.09	0.00	535.80	535.80	0.00

Particulars	FY 2016-17			FY 2017-18		
	As approved in T.O. dt 11.08.17	Revised	Difference	As approved in T.O. dt 11.08.17	Revised	Difference
Less: Non-Tariff Income	851.20	851.20	0.00	927.88	927.88	0.00
Net Aggregate Revenue Requirement	44971.47	44956.98	14.49	47837.80	47893.56	-55.76

3.46. Based on the revised ARR calculated by TANGEDCO above, the difference in revenue gap based on existing tariff for FY 2016-17 and FY 2017-18 between approved and re-calculated figures is tabulated below.

Particulars	FY 2016-17			FY 2017-18		
	As approved in T.O. dt 11.08.17	Revised	Difference	As approved in T.O. dt 11.08.17	Revised	Difference
Aggregate Revenue Requirement	44971.47	44956.98	14.49	47837.80	47893.56	-55.76
Revenue from sales at existing tariff	33462.65	33462.65	0.00	41184.69	41184.69	0.00
Govt. subsidy	8644.35	8644.35	0.00	8884.71	8884.71	0.00
Total Revenue	42107.00	42107.00	0.00	50069.39	50069.39	0.00
Revenue Gap/(Surplus)	2864.47	2849.98	14.49	-2231.59	-2175.83	-55.76

3.47. Based on the revised ARR calculated by TANGEDCO above, the

difference in revenue gap based on approved tariff for FY 2017-18 between approved and re-calculated figures is tabulated below.

Particulars	As approved in T.O. dt 11.08.17	Revised	Difference
Aggregate Revenue Requirement	47837.80	47893.56	-55.76
Revenue from sales @ proposed tariff incl subsidy	47903.50	47903.50	0.00
Total Revenue	47903.50	47903.50	0.00
Revenue Gap/(Surplus)	-65.70	-9.94	-55.76

VIII Regulatory Asset at the end of FY 2016-17

3.48. The regulatory asset approved at the end of FY 2016-17 in Table 5-12 (Page 291 to 248 of Tariff Order No. T.P No. 1 of 2017 dated 11th August 2017) based on the revised ARR as discussed above result in further lowering of the regulatory asset by Rs. 16.08 Crs. as detailed below:-

S. No.	Particulars		As approved in T.O. dt 11.08.17	Revised	Difference
1	Opening balance	A	30884.15	30884.15	0.00
2	Addition during the year	B	2864.47	2849.98	14.49
3	Gap of FY 2010-11 amortized under FRP	C	-1216.21	-1216.21	0.00
4	Closing balance	D=A+B+C	32532.41	32517.92	14.49

S. No.	Particulars		As approved in T.O. dt 11.08.17	Revised	Difference
5	UDAY debt take over	E	22815	22815	0.00
6	Remaining balance after deducting debt taken over	F=D-E	9717.41	9702.92	14.49
7	25% of remaining debt after UDAY takeover	G	7605	7605	0.00
8	Balance amount	H=F-G	2112.41	2097.92	14.49
9	Interest rate for computing carrying cost on Rs. 7605 Crore (Bank Rate + 0.1%)	I	6.35%	6.35%	
10	Interest rate for computing carrying cost on balance amount	J	11%	11%	
11	Carrying Cost	$K = (G*J) + (H*I)$	715.28	713.69	1.59
12	Regulatory Asset	L = F+K	10432.69	10416.61	16.08

IX Losses Applicable to Open Access Consumers

3.49. The Commission approved the energy loss to each voltage in the order issued from 15-05-2006. The open access consumers have to compensate the energy loss for wheeling of energy in the rate approved by the Commission.

3.50. The rate approved by the Commission from the 1st order issued on 15-05-2006 are tabulated as below:

Voltage / Order date	11	22	33	66	110	230
15-05-2006	2.75	2.75	1.50	0.5	1.50	1.00
30-03-2012	4.50	2.50	1.10		1.00	0.95
20-06-2013	2.86	2.76	0.66		1.90	0.80
11-12-2014	2.80	2.70	0.64		1.90	0.80
11-08-2017	2.45	2.35	1.44		3.14	0.77

3.51. The loss to be compensated by the open access consumers were arrived and approved by the Commission based on the energy flow from injection voltage to drawal voltage of energy. The energy could not be delivered in the same sub-station / same feeder where the energy has been injected. If energy injected in lower voltage and drawl also in same lower voltage, the loss has been calculated to compensate the loss in all voltage higher to the injection lower voltage. This has been calculated taking into account of injection level voltage and step up at injection voltage and energy flow to the various voltages. For example, if energy injected in 11 kV and drawal also in 11 kV, then the loss in all voltage such as 33, 110 and 230.

3.52. In line with the above, the loss to be compensated by the open access consumers has been arrived and approved in earlier orders dated from 15-05-2006 to 11-12-2014. The loss approved by the Commission in the above orders are summarized as below:

Injection Voltage	Drawal Voltage	Loss to be recovered as per order dates (in %)			
		15-05-2006	30-03-2012	20-06-2013	11-12-2014
230	230	1.00	0.95	0.80	0.80
	110	1.75	1.45	1.75	1.75
	33	2.50	2.00	2.08	2.07
	22	3.88	3.25	3.46	3.42
	11	3.88	4.25	3.51	3.47
110	230	1.75	1.45	1.75	1.75
	110	2.50	1.95	2.70	2.70
	33	3.25	2.50	3.03	3.02
	22	4.63	3.75	4.41	4.37
	11	4.63	4.75	4.46	4.42
33	230	2.50	2.00	2.08	2.07
	110	3.25	2.50	3.03	3.02
	33	4.00	3.05	3.36	3.35
	22	5.38	4.30	4.74	4.69
	11	5.38	5.30	4.79	4.74
	230	3.88	3.25	3.46	3.42

Injection Voltage	Drawal Voltage	Loss to be recovered as per order dates (in %)			
		15-05-2006	30-03-2012	20-06-2013	11-12-2014
22	110	4.63	3.75	4.41	4.37
	33	5.38	4.30	4.74	4.69
	22	6.75	5.55	6.12	6.03
	11	6.75	6.55	6.17	6.09
11	230	3.88	4.25	3.51	3.47
	110	4.63	4.75	4.46	4.42
	33	5.38	5.30	4.79	4.74
	22	6.75	6.55	6.17	6.09
	11	6.75	7.55	6.22	6.14

3.53. The loss to be recovered from HT consumers has not been calculated based on the energy flow method in the order dated 11-08-2017, as done in the earlier orders of the Commission.

3.54. In Table No.5-28 and 5-30, the Commission approved loss to 33 kV voltage as 1.52% whereas in table 5-29, the Commission arrived and approved the loss for open access transactions to 33 kV voltage level as 1.44%.

3.55. The loss to be recovered from the open access consumers may be arrived and approved taking into account of 1.52% to 33 kv voltage and also it may be worked out taking into account of energy flow as done in earlier.

4. Hearing held on 19-12-2017:-

In the hearing held on 19-12-2017, the Financial Controller, Regulatory Cell of TANGEDCO appeared and submitted that there was an error on the face of the record while issuing tariff Order No.T.P.No.1 of 2017 dated 11-08-2017 in the matter of loss applicable to Open Access Customer and prayed to revise the same taking into account of energy flow and revised loss to 33 kv voltage. He has also submitted that as far as the other prayers are concerned, he is not pressing the same in this Review Petition since those items would be resolved while trueing up in the ensuing tariff petition.

5. Findings of the Commission:-

5.1. TANGEDCO has filed this Review Petition on the Commission's Tariff Order T.P.No.1 of 2017 dated 11.08.2017 seeking,-

- (i) To revise and approve the T&D losses for the FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16 based on Study Report and T&D loss approved for the control period 2016-17 to 2018-19.
- (ii) To revise fuel related gains and allow short term provisions for power purchase in the true-up of FY 2011-12 to FY 2015-16.
- (iii) To remove the cap implemented for calculation of Cross subsidy surcharge in line with the consultative paper issued by MOP and revisit the cross subsidy surcharge to minimize the revenue loss of TANGEDCO.

- (iv) To allow the methodology to claim Return on Equity for Distribution Function from the FY 2016-17 post implementation of UDAY scheme and to allow the same at the time of True-up petition to be submitted for the respective years.
- (v) To rectify the errors with respect to-
 - (a) Fixed cost for generation function for the FY 2017-18 in Table 4-33 of the Tariff Order.
 - (b) Other interest and finance charges for distribution function for the FY 2016-17 in Table 4-31 and Table 4-54 of the Tariff Order.
 - (c) MOD ranking for the FY 2016-17 to FY 2018-19 in Tables 4-47, 4-48 and 4-49 of the Tariff Order.
 - (d) Power purchase cost for the FY 2016-17 to FY 2018-19 in Tables 4-50, 4-51 and 4-52.
- (vi) To subsequently revise the ARR for the control period FY 2016-17 to FY 2018-19.
- (vii) To subsequently revise the revenue gap/(surplus) at the existing tariff for the FY 2016-17 & FY 2017-18 and the revenue gap/(surplus) at the approved tariff for the FY 2016-17
- (viii) To subsequently revise the regulatory asset at the end of FY 2016-17 based on the correction mentioned above.
- (ix) To revise the loss applicable to open access consumer taking into account of energy flow and revised loss to 33 kV voltage.

5.2. Before going into the facts of the Review Petition, the Commission wishes to observe that during the hearing held on 19.12.2017, on the issues raised in the review petition, the petitioner prayed to revise the loss applicable to open access consumer taking into account of energy flow and revised loss at 33 kV since there was an error on the face of the record while issuing the tariff order and submitted further that as far as the other prayers are concerned, it is not pressing for the same since those items would be resolved while truing up in the ensuing tariff petition.

5.3. The Commission examined the contentions of the petitioner filed as a Review Petition on the Commission's Order dated 11th August 2017 as per TNERC (Conduct of Business) Regulations, 2004. Regulation 43 specifies that the Commission may on its own or on the application of any of the persons or parties concerned within 30 days of the making of any decision, direction or order, review such decision, directions or orders on the ground that such decision, direction or order was made under mistake of fact, ignorance of any material fact or error apparent on the face of the record.

5.4. Under the above context, the Commission would like to go through the issues raised by the petitioner in the review petition. The issues of the petitioner namely to revise and approve the T&D Losses for the FY 2011-16 based on study report for 2015-16, to remove the cap implemented for calculation of cross subsidy surcharge and to allow the methodology to claim Return on Equity for Distribution function from the FY 2016-17 post implementation of UDAY scheme, have been elaborately discussed by the Commission in the subject Tariff Order. The process of review is a limited exercise based on mistake of fact, ignorance of any material fact or any error apparent on the face of the record. The decisions taken in the Tariff Order with respect to the said issues are conscious one after going through the facts placed before the Commission by the petitioner. So this cannot be termed as a mistake of fact or ignorance of any material fact or any error apparent on the face of the record and therefore it cannot be considered under review.

5.5. On the issue of rectification of errors with respect to fixed cost for generation function for the FY 2017-18, other interest and finance charges for distribution function for the FY 2016-17, MOD ranking and power purchase cost for the FY

2016-17, 2017-18 and 2018-19 and accordingly revise the ARR, revenue gap/(surplus) and regulatory asset, these issues pertain to MYT Tariff period FY 2016-17, 2017-18 AND 2018-19. Hence, as sought by the petitioner during the hearing on 19.12.2017, these issues would be resolved while truing up in the petitioner's ensuing Tariff order.

5.6. On the last prayer of the petitioner to revise the loss applicable to open access consumer taking into account of energy flow and revised loss at 33 kV, the contention of the petitioner is that the loss to be compensated by the open access consumers were arrived and approved by the Commission based on the energy flow from injection voltage to drawal voltage of energy. The energy could not be delivered in the same sub-station/ same feeder where the energy has been injected. If energy injected in lower voltage and drawal also in same lower voltage, the loss in all voltage higher to the injection voltage need to be considered. The losses to be compensated by the open access consumers has been arrived as above and approved in earlier orders of the Commission dated from 15.05.2006 to 11.12.2014. However, in the Tariff Order dated 11.08.2017, the loss to be recovered from HT consumers has not been calculated based on the energy flow method as done in earlier orders of the Commission. The petitioner has further submitted that the loss to be recovered from the open access consumers may be arrived and approved taking into account of 1.52% to 33 kV and worked out taking into account of energy flow as done earlier.

5.7. On this issue, the Commission in the Tariff Order 2017 has analysed in detail the TANGEDCO's Loss Assessment Study report on Distribution losses conducted during the period April 2015 to March 2016 and has also observed that the Study

report has certain lacunae i.e. the Losses at the lower voltage of 33 kV for FY 2015-16 was lower @ 1.52% compared to the Transmission loss level of 4.11%. The Commission asked TANGEDCO to reconcile the discrepancy and also submit the break-up of Distribution loss at each voltage level. However, TANGEDCO has not submitted the breakup of distribution losses separately for HT and LT category. In the absence of such break-up, the Commission has considered T&D losses upto FY 2015-16 as approved in the Tariff Order dated June 20, 2013 and specified the distribution losses based on the Loss Assessment Report for FY 2015-16 for the purpose of projections of Energy Requirement for the MYT Control Period from FY 2016-17 to FY 2018-19. Accordingly, the voltagewise Technical Losses considered by the Commission for the FY 2017-18 in Table 5-14 of the Tariff Order 2017 is as follows:

Voltage level	FY 2017-18
230 kV Losses	0.77%
110 kV Losses	3.14%
33 kV Losses	1.44%
22 kV Losses	2.35%
11 kV Losses	2.45%

The losses applicable for Open Access transactions worked out subsequently in Table 5-29 of the Tariff Order 2017 are also based on the above loss figures. However, the Commission noticed that an error has crept in, in the calculation of losses for Open Access consumers and the same needs to be rectified. The revised applicable losses for open access transactions, depending on the injection voltage and drawal voltage are given in the following table:

Table 5-29: Applicable losses for Open Access transactions for FY 2017-18

(Revised)

Injection Voltage (kV)	Drawal Voltage (kV)	Applicable losses for Open Access transactions (%)
230	230	0.77%
	110	2.34%
	33	3.06%
	22	4.24%
	11	4.29%
110	230	2.34%
	110	3.91%
	33	4.63%
	22	5.81%
	11	5.86%
33	230	3.06%
	110	4.63%
	33	5.35%
	22	6.53%
	11	6.58%
22	230	4.24%
	110	5.81%
	33	6.53%
	22	7.71%
	11	7.76%
11	230	4.29%
	110	5.86%
	33	6.58%
	22	7.76%
	11	7.81%

The Table No.5-29 of the Commission's Order in T.P.No.1 dated 11.08.2017 stands replaced by the above table.

5.8. At this juncture, the Commission wish to state here that an Appeal (No.356 of 2017) has been preferred by Tamil Nadu Spinning Mills Association before the Hon'ble APTEL against the Tariff order dated 11.08.2017 passed by this Commission in T.P.No.1 of 2017 on the following issues:

- A. Relinquishment of Rs.2500 crores subsidy to be paid by the Tamil Nadu Government to the TANGEDCO.
- B. Approving increase in Line loss which is increased by almost 3%.
- C. Calculation of line losses for OA consumers connected to different voltages.
- D. Scheduling and System Operation charges.
- E. MD Integration time reduced to 15 minutes from 30 minutes- MD charges may increase to HT services.
- F. Cross Subsidy Surcharges.

5.9. The revision on the applicable line loss for open access transactions as stated in Para 5.7 supra are rendered by the Commission subject to the outcome of said Appeal No.356 of 2017 filed by TASMA pending before the Hon'ble APTEL.

5.10. With the above, the petition is disposed of.

6. Appeal:-

An appeal against this order shall lie before the Appellate Tribunal for Electricity under section 111 of the Electricity Act, 2003 within a period of 45 days from the date of receipt of a copy of this order by the aggrieved person.

(Sd)
(Dr.T.Prabhakara Rao)
Member

(Sd.....)
(G.Rajagopal)
Member

(Sd.....)
(S.Akshayakumar)
Chairman

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission