

APDISCOMS ARR FACT SHEET-FY22

Abstract

Tariff filings were made by all three Discoms of AP under Section 61 of the Electricity Act 2003 for determination of the Aggregate Revenue Requirement and Tariff for the Retail Supply Business for the year 2021-22



Contents

- Network Cost
- Sales Projections
- Power Purchase Cost
- Revenue Proposals
- Revenue Gap

NETWORK COST

Distribution Cost: The proposed distribution cost for FY22 as approved in the Distribution Business Tariff Order dt 15th April, 2019 is **Rs.7533 Cr.**

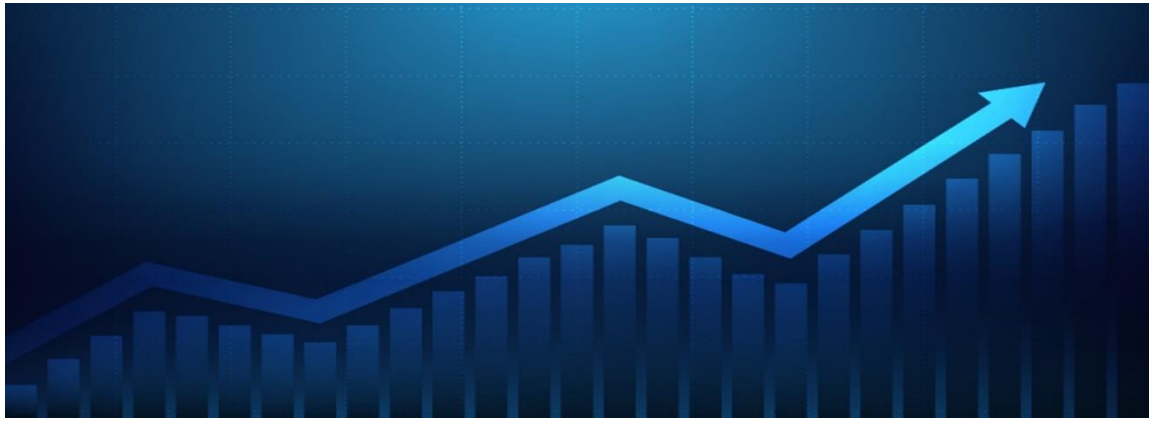
Transmission Cost: The estimated transmission cost for FY22 as per the Transmission Tariff Order, dt. 8th March, 2019 is **Rs.2411 Cr.**

SLDC Cost: The estimated SLDC cost for FY22 as per the SLDC Order, dt. 8th March, 2019 is **Rs.64 Cr.**

PGCIL and ULDC Costs: The projected PGCIL and ULDC Charges as per the CERC Regulations for FY22 are **Rs. 1483 Cr.** and **Rs.15 Cr.** respectively.

Revenue Item	APSPDCL		APEPDCL		APEPDCL		Rs(Crs)	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Transmission Cost	827	993	719	863	463	556	2009	2411
SLDC Cost	41	43	11	13	7	8	59	64
Distribution Cost	2649	3158	2091	2549	1529	1826	6269	7533
Additional Interest on Pension bonds	461	497	390	405	0	0	851	902
PGCIL Expenses	520	600	518	537	294	346	1333	1483
ULDC Charges	4	6	3	5	2	3	9	15
Network and SLDC Cost	4502	5297	3732	4372	2296	2740	10530	12408

Sales Projections



As per Regulation No. 4 of 2005, the licensee is required to file the **Aggregate Revenue Requirement (ARR) for Retail Supply Business** and **Tariff proposal** for the entire control period i.e., for the period from FY20 to FY24. However, the licensee requested the Commission to allow for submission of the ARR and Tariff filing for Retail Supply Business for FY22 on yearly basis.

The licensees with the permission of Commission (APERC Proceedings No. T-87/07/2020, Dt: 17-09-2020) filed the ARR & proposed tariffs for Retail Supply Business for FY22 instead of total control period of FY20 to FY24.

The licensees have estimated monthly figures based on time series data for forecasting the category-wise sales for the ensuing year. The licensees have considered the historical growth trend observed in the sales of categories for the last 5 years from FY16 to FY20 and the same have been applied to compute the sales for H2 FY21 also for FY22. The total sales forecast for key categories are as follows.

Category	Sales (MU)		Revenue (Rs Cr)	
	FY 21 RE	FY22 BE	FY 21 RE	FY22 BE
LT SUPPLY	37185	39144	13498	14066
Domestic	16932	16775	7167	6764
Commercial & Others	2559	3100	2748	3309
Industrial	1297	1448	1074	1189
Institutional	1291	1384	1020	1091
Agriculture	15106	16438	1489	1714
HT SUPPLY	18968	21908	14263	16290
Domestic	59	57	45	45
Commercial & Others	1292	1641	1510	1882
Industrial	12645	14171	9403	10373
Institutional	1536	2015	1289	1611
Agriculture	2576	3069	1935	2291
Resco	861	955	80	88
Total	56153	61052	27761	30356



Power Purchase Cost

Projections for FY21:

Ownership	Dispatch	FC (Crs)	VC (Crs)	Total Cost (Crs)
AP Genco-Thermal	20779	3969	6921	10890
CGS	14186	1750	4271	6021
Thermal-IPPs	3547	395	1006	1402
Gas	1756	28	435	464
Hydel	3163	301	0	301
VRE	13951	0	6251	6251
Short Term	4340	0	1457	1457
Total	61723	6443	20342	26785

Projections for FY22:

Ownership	Dispatch	FC (Crs)	VC (Crs)	Total Cost (Crs)
AP Genco-Thermal	30042	4519	10112	14631
CGS	17265	1749	5509	7258
Thermal-IPPs	1985	279	448	727
Gas	1019	17	224	241
Hydel	3213	614	0	614
VRE	14515	0	6643	6643
Short Term	329	0	111	111
Total	68369	7178	23046	30225

Deviations in Power Purchase- FY22

KSK Mahanadi Power Corporation Limited: The generator is not supplying power since 13-7-2020 and is not expected to resume supply in the current financial year. Since the PPA is expiring by 31st March-2021, availability from this plant is not considered in the ARR calculations.

Hinduja: In pursuance to the directions of APTEL power was availed till 18th July 2020. The issue of procurement of power from this plant is presently sub-judice in Supreme Court of India.

Gas Based Power Plants: The Natural gas supplies from RIL KG D-6 fields to the IPPs became zero w.e.f. 1.3.2013; as a result, there is no generation from these plants. Further, there is no official communication from MoP & NG on the availability of natural gas to these plants. The e-bid RLNG Scheme ended by 31.3.2017 and MoP/Gol has not extended the scheme. Therefore, APDISCOMs are not proposing to procure any power from these plants. Further, APDISCOMs are not presently paying any fixed charges to these plants.

The new company APCPDCL commenced business operations from 1st April 2020. The State Government in GO Ms No 13, dt 6th April 2020 have specified power purchase sharing ratios between the three DISCOMs, applicable for the existing Power Purchase Agreements (PPAs) except for the projects exclusively allocated on the basis of geographical location by the Government of Andhra Pradesh and other PPAs entered into by individual DISCOMs.

Present ratio:

APEPDCL : APSPDCL : APCPDCL

36.22% : 40.44% : 23.34%

AGGREGATE REVENUE REQUIREMENT AND REVENUE GAP

	APSPDCL		APEPDCL		APEPDCL		Rs(Crs)	
	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
Transmission Cost	827	993	719	863	463	556	2009	2411
SLDC Cost	41	43	11	13	7	8	59	64
Distribution Cost	2649	3158	2091	2549	1529	1826	6269	7533
Additional Interest on Pension bonds	461	497	390	405	0	0	851	902
PGCIL Expenses	520	600	518	537	294	346	1333	1483
ULDC Charges	4	6	3	5	2	3	9	15
Network and SLDC Cost (1+2+3+4+5+6)	4502	5297	3732	4372	2296	2740	10530	12408
Power Purchase / Procurement Cost	11166	12188	10082	10999	6739	7019	27987	30206
Interest on Consumer Security Deposits	95	97	127	145	57	62	279	303
Supply Margin in Retail Supply Business	23	31	15	21	13	18	51	69
Other Costs, if any	38	156	67	103	729	785	834	1044
Supply Cost (7+8+9+10+11)	11322	12471	10291	11268	7538	7884	29950	31623
Aggregate Revenue Requirement (Rs.Crs)	15824	17768	14023	15640	9834	10623	40480	44031
Revenue through Current tariff (Rs.Crs)	9115	10107	10614	11597	6975	7527	26704	29231
Non Tariff Income	748	801	396	413	308	324	1453	1538
External subsidy available / contracted			-137				-137	0
Revenue Changed through proposed tariff (Rs.Crs)		407		306	0	96	0	809
Revenue from Cross Subsidy Surcharge (Rs.Crs)	92	123	62	66	47	49	201	238
Revenue from Additional Surcharge (Rs.Crs)					0	0	0	0
Revenue from REC (Rs.Crs)	326	304			0	0	326	304
Net Revenue (Rs.Crs)	10281	11742	10935	12382	7330	7996	28546	32120
Revenue (Deficit)/Surplus (Rs.Crs)	-5543	-6026	-3087	-3258	-2504	-2627	-11934	-11911