

**ISSUES FOR HEARING - Petition filed by Hyderabad Electric Supply Company Limited (HESCO) for Determination of Tariff for Distribution of Power for the FY 2018-19.**

The following issues have been framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;

- i. Whether the Petitioner has complied with the direction of the Authority given in its earlier determination?
- ii. As provided in NEPRA Amendment Act, 2018, HESCO as Distribution Licensee shall be deemed to hold Supply License also for a period of 5-years. In this regard, HESCO is required to explain its organizational restructuring in respect of segregation of responsibilities for Distribution Business and Sale Business?
- iii. As per NEPRA Amendment Act, 2018, obligations of procurement of assets including meters (for satisfying its services) and disconnection / reconnection services (on demand of Supplier) are with Distribution Licensee whereas procedure for metering, billing, collection of approved charges and recovery of arrears are the obligations of Supply Licensee. In this scenario, HESCO is required to state the mode and manner being developed and followed for appropriate coordination between Distribution Licensee and Supply Licensee?
- iv. Whether the requested T&D loss target is reasonable? Whether this target comprises of both Technical and Commercial losses? What are the proposed plans specifically for loss reduction and removal of overloading and system constraints?
- v. Whether the projected demand is reasonable?
- vi. Whether the projected Net Distribution Margin (excluding RoRB) is justified? The petitioner is required to provide Grid wise plan of its proposed O&M.
- vii. Whether the projected Return on Regulatory Asset base (RORB) for the FY 2018-19 is justified?
- viii. Whether the requested Prior Year Adjustment including the impact of postretirement benefit, is justified?
- ix. Whether the distribution margin should be recovered on Rs./kW or Rs./kWh basis?
- x. Whether the basis used by the Petitioner for bifurcation of its costs into supply and distribution segments are justified?
- xi. As per Amendment Act, 2018, responsibilities of DISCO and Supplier have been bifurcated. HESCO is required to submit overall organogram which broadly describe its role/functions as DISCO and Supplier.
- xii. Whether HESCO is currently facing network congestions? If yes, HESCO is required to submit detailed analysis by identifying the grey areas which caused congestions in its

transmission and distribution system. HESCO is also required to submit load shedding policy in high loss areas.

- xiii. Whether the requested investment without submission of five Year IGTDP as required is justified? Petitioner must provide the project wise detailed report along with rationale against the requested investment.
- xiv. Whether the ToU meters installed on Residential & General Services connections have the capability to record MDI?
- xv. Whether the concerns raised by the intervener/ commentator if any are justified?
- xvi. Any other issue that may come up during or after the hearing?