



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
**MINUTES OF THE 2<sup>nd</sup> MEETING OF THE STATE ADVISORY COMMITTEE**  
**HELD ON 17-03-2016 IN THE COMMISSION'S OFFICE**

**Present:**

- 1 Sri H.Srinivasulu, Member ,TSERC
- 2 Sri L.Manohar Reddy, Member ,TSERC
- 3 Dr.K.Srinivas Reddy, Secretary , TSERC
- 4 Sri.Anil Reddy Vennam, Member, FTAPCCI
- 5 Sri.N.Sreekumar, Member, PRAYAS (Energy Group)
- 6 Sri.Nrupender Rao, Member, CII
- 7 Sri.E.Sridhar, Member, Telangana State Electricity Employees' Union- 327
- 8 Sri.R.V.Chalapathi Rao on behalf of Dr.D.N.Reddy, Member, ESCI
- 9 Dr.G.Chandra Mohan Reddy, Member, Institute of Engineers
- 10 Professor S.Jeelani, Member, Center for Distance & Virtual Learning, HCU
- 11 Dr.L.Muralidhar, Member, Jana Vignana Vedika
- 12 Smt.Rajam Ganesan, Member, Consumer Care Center
- 13 Sri.M.Sreedhar Reddy, Member, Bharateeya Kisan Sangh,

**INVITEES:**

1. Sri.G.Raghuma Reddy, Chairman & Managing Director, TSSPDCL
2. Sri.T.Srinivas, Director/ Projects & HRD , TSSPDCL
3. Sri.B.Venkateswara Rao, Director/Projects, TSNPDCL
4. Sri.S.Kulkarni, Legal Consultant , TSERC
5. Sri.Rohit Bajaj, Indian Energy Exchange Limited, New Delhi
6. Sri.Anil.V.Kale, Power Exchange India Ltd, Mumbai
7. Sri. R.K.Agarwal, Telangana Spinning & Textile Mills Association

The meeting started with the Secretary addressing the State Advisory Committee (SAC) members and invitees. While welcoming the participants, Secretary addressed the gathering and briefed the SAC on :

- Member / Finance , TSERC chairing the meeting in the absence of Chairman,TSERC.
  - ARR & Tariff Proposals for Retail Supply Business including Cross Subsidy Surcharge & Addl. Surcharge for Open Access Consumers for the FY 2016-17 made by TSSPDCL & TSNPDCL.
1. Chairman welcomed all the members, invitees to the meeting and stated that the discussion will be on the ARR Tariff Filings made by the Discoms, Consumer grievances & related issues and requested for the views of the Members on the same. M/s.Pricewaterhouse Coopers (Pwc) , the Consultant engaged by the Commission was requested to present the ARR Filings to the Committee.
  2. Pwc has presented ARR Tariff Filings of TSSPDCL and TSNPDCL.
  3. On completion of presentation, Chairman invited views of SAC members. The views of the SAC Members are as follows:

**Sri.Anil Reddy Vennam of FTAPCCI**

- To look into the matter of minimum of 30 days to be given to file the Objections and 45 days for conducting Public Hearing on the ARR filings and requested to extend the last date for filing objections from 30<sup>th</sup> March, 2016 to 8<sup>th</sup> April, 2016. This is to provide enough time for DISCOMs to give replies to Objections and to stakeholders to react on the replies given by DISCOMs.
- Proposal of additional Time of Day (ToD) from 6 am to 10 am (Rs 1/- per unit) and an incentive from 10 pm to 6 am (Rs. 0.55) as a measure to reduce the morning peak and make the load curve flat for categories HT-I (A) Industrial, HT-II Others and HT-III Airports, Bus Stations and Railway stations, is against the interests of the industrial consumers and will have adverse impact on industrial growth.
- Till the time the generation tariffs are not finalized for GENCOs, no escalation in fixed and variable costs should be allowed in the power purchase cost from these stations.
- Recent trends in the average auction price of the domestic coal during last two years, along with the international price of imported steam coal and international market price of crude oil indicates a downward progression of the prices for all the fuels mentioned. This calls for a thorough prudence check of all the power procurement costs proposed.
- The Discoms have projected an average procurement price of Rs. 5.22 per unit in FY 2016-17 for such bilateral and market purchases which seems to be

unreasonably high considering the recent trends in the price of power traded in open market and exchanges. To this the Commission has asked Indian Energy Exchange (IEX) to provide the pricing mechanism.

- Any allowance in the context of additional surcharge would be unreasonable and burdensome for the consumers.
- Reduction of minimum period for applying for de-ration of the CMD from 2 years to 1 year as the present business environment and the short production cycles makes it difficult for the entrepreneur to sustain in the market for a minimum of 2 years if the market conditions are not favorable. The Commission has taken note of the point.
- Separate category for Micro and Small Industries to boost growth of small industries in the state.
- Treat all the industrial units with a Contracted Demand of 100 kVA and above upto 250 kVA as Small Scale Industries and make a separate category of these units for determination of energy and demand charges.
- Fix the Demand and Energy charges for the units under 11 kV with a Contracted Demand of upto 250 kVA at a lower Level compared to other units. Remove the Time of the Day charges for these small scale industrial category under HT 1 (A) 11 kV.
- “Other costs” claimed by the Discoms in respect of reactive charges, asset maintenance charges should be allowed after prudent check.
- Discoms have submitted the details of Non Tariff Incomes after excluding certain elements like delayed payment charges, rebates earned etc. The projected non tariff incomes are not comparable to the non tariff incomes earned by the Licensee in past years.

**Sri.N.Sreekumar, PRAYAS:**

- Efforts are to be made by the Discoms to make proper demand estimation and earn from surplus power.
- Not much efforts are going into energy efficiency. Govt of Telangana has a program with Ministry of Power for energy efficiency which should be looked into and included in demand estimation.
- Resource plan of TSSPDCL doesnot indicate the CoDs.
- Since 75-80% of the total cost is power purchase cost , public hearings on PPAs are very important and should be expedited. To this the Commission has told that the details of public hearings on PPAs is placed on the website of TSERC.
- The problems involved in the connectivity of rooftop solar power are to be looked into and rooftop solar is to be encouraged.

- Prayas suggests encouragement of solar power in agriculture. In addition to solar Agl pumpsets, Feeder based solar pumpsets should be explored as was done in Maharashtra.
- Suggested DTR metering is very low and requested to get Agl estimate better.
- Expressed whether 9 hours power supply will be of much help , the water table being low , the motors cannot draw water after 3 hours.
- Suggested that devices to measure consumer level Quality of Supply should be available.
- Prayas along with Bharateeya Kisan Sangh have visited various sites and found that the reason for electrical accidents is both on the Discoms and Consumers. Electrical accidents should be included as a Standard of Performance. It is suggested to target two places Mahaboobnagar and Karimnagar to reduce accidents by next year. To this the Commission has told that compensation has been brought into the purview of safety. The Commission has also increased the ex-gratia amount. Prayas has welcomed the efforts of TSERC.
- Defaulters list should be displayed.
- SAC meetings should be held more frequently atleast once in 3 months and the suggestion was welcomed by the Commission.
- On the matter of Advisory of the Commission to the TS Transco and Discoms , Prayas felt that employees should be encouraged to participate in the public hearings / Proceedings of the Commission so as to gather more views and take valued decisions. To this the Commission conveyed that TSERC always encourages maximum participation of public/stake holders in order to get a wide range of views, but the employees have to work within the rules and regulations of their respective organizations before approaching the Commission. The employees have to take prior approval before participating in public hearings conducted by the Commission.

**Sri.R.K.Agarwal of Telangana Spinning & Textile Mills Association (Invitee)**

- Expressed that a separate category be provided for spinning & textile mills as they are providing more employment and are maintaining 85% load factor throughout the year. Telangana Govt is in the process of framing a policy in this matter and since tariff fixation happens to be before the policy coming into force, such request is made to the Commission. The Commission expressed that any decisions made will be in the purview of the Act.
- Suggested that mixed feeders also be considered in the same manner as independent feeder for Open Access.

- In response to his mention on round the clock Open Access for mixed feeders, Commission has told that the matter is sub-judice.
- Expressed that the Discom is not adhering to the court orders.
- Suggested that the cross subsidy should not be high for Open access consumers.
- With reference to 9 hours power supply to agriculture , suggested that the burden should not be passed on to the consumers and it should be absorbed by the Govt.

**Dr.G.Chandra Mohan Reddy, Institute of Engineers**

- Suggested that Institute of Engineers is into energy conservation right from Generation to end users which have to explored and put to use.
- Also suggested that the Commission should focus on measures to bring down the Global Warming. To this Commission has told that RPPO (Renewal Power Purchase Obligation) regulation etc are steps in that direction only.

**Sri.E.Sridhar, Telangana State Electricity Employees' Union- 327**

- Expressed that Discoms like many industries/organizations should have a safety officer to address the issue of electrical accidents.
- Also told that in order to implement the Govt policy of 9 hours power supply, and to reduce number of electrical accidents recruitment of O & M staff is required.
- Suggested that standard meters should be used.
- Research centers should be established in the Discoms. The suggestion was welcomed by the Commission.

**Sri.R.V.Chalapathi Rao from ESCI (Engineering Staff College of India) on behalf of Dr.U.Chandrasekhar**

- Stated that the issue of consumers using electrical gadgets which contribute to low power factor is to be addressed by providing adequate capacitors at appropriate places.

**Sri.Rohit Bajaj from Indian Energy Exchange Limited,New Delhi**

- Power purchase cost constitutes 78 % of total cost and any saving in PP cost results in total cost reduction.
- It is observed that the variable cost of Genco stations is very high and merit order dispatch has to be changed. It is suggested that power exchange stations be included in merit order.
- It is also suggested that market price should be part of Merit order dispatch.

- The power situation in the state has not reached such a stage where additional surcharge can be levied.
- The Commission has requested them to give details of MCP at peak load hours for the past three months.

**Sri.Anil.V.Kale from Power Exchange India Ltd,Mumbai**

- ARR filings are silent on RPPO compliance. Suggested that a directive is to be given by the Commission for RPPO compliance. He has requested to provide certain amount in ARR to purchase from PEX in order to meet RPPO obligation like in ARR & Tariff order for FY 2013-14.
- Has made a brief presentation on the working of Power Exchange India Ltd.

**Sri. M.Sreedhar Reddy, Bharateeya Kisan Sangh**

- Has requested that the pending compensations shall be paid.
- Publicity of toll free number of Discom to be widely done.
- Stated that almost all the DTR structures except those in Moinabad were constructed by the farmers.
- Suggested that a mechanism should be in place where by the consumer knows the material drawal details. When it was informed that such information is placed on website while sending the same in SMS to the consumers, expressed that farmers cannot visit websites , an SMS will be of great help.
- Suggested for merging LT V(C ) categories in free category. Also suggested for removal of DSM measures & IT farmers category in order to cover under free category of Agriculture.
- Suggested that in airports , charges should be levied based on end use as the tariff for airports is less than HMR.
- Stated that a report on segregation of GMR (RGIA) lands as per Directive was to be submitted by June , 2015 and the same should be reviewed by ERC.
- Suggested that wide publicity is to be given on CGRFs.
- Standards of Performance should be implemented.

**Smt. Rajam Ganesan of Consumer Care Center**

- Congratulated the Discoms for the efforts made in reducing T & D losses.
- Suggested that tariff in the slab 200-400 is Rs.8.40 which is very high and the Commission has to look into the same.
- Suggested that the Commission should work along with consumer affairs department and other consumer organizations to increase awareness on energy conservation among consumers.

- Suggested that wide publicity is to be given on CGRFs , more specifically its location, contact numbers etc., Reports from CGRFs are to be obtained regularly.
- Meter readings of Domestic services should be taken by meter readers on the same date and time so as to avoid jumping of consumption to next slab.

**Dr.L.Muralidhar of Jana Vignana Vedika**

- Awareness should be created among consumers in order to reduce accidents.
- Energy conservation should be inculcated in consumers through awareness programmes.

**Professor S.Jeelani of Center for Distance & Virtual Learning, HCU**

- Suggested that separate category be created for rural education institutions.
- Uninterrupted power supply is to be given in rural educational institutions.
- Alternative sources of energy are to be explored.
- A research committee should be constituted to explore ways of reducing cost of supply.
- Separate category is to be created for rural domestic consumers.

**Sri.G.Raghuma Reddy, Chairman & Managing Director, TSSPDCL**

- Reduction of contract period from 2 years to 1 year: difficult as power procurement is done on yearly basis and contract change in the middle of the year is not possible . On Commission's query, whether it can be done as consumption for one year is proposed for FY 2016-17, unless the Commission approves the procurement taking into consideration the above. Whether it is possible to implement w.e.f from this tariff order, he has told that details will be presented to the Commission.
- Load increase from 100 hp to 250 hp in LT category: if load is increased losses will increase.
- On ToD incentives: Since it is introduced for the first time, the impact is to be observed.
- Demand estimation: objective of Discoms is to meet the peak demand to provide uninterrupted supply to consumers and hence additional power purchase is integrated into power purchases.
- Energy conservation: 5 lakh LED bulbs are being provided for 15 municipalities directly by the Discoms avoiding mediating agencies to reduce the final cost.
- Inadequate information on CoDs of generating stations: exact dates are not given as trial runs etc will have to take place and thus only month is given instead date.

- Solar generation: as on date agreements have been entered for 3483 MW within a span of one year. By March , 2016 it is expected to add 3400 MW. In the last 6 months maximum number of solar units synchronized to the grid are from Telangana.
- Solar rooftops: There is a reduction in solar rooftops as the subsidy given by central Govt reduced from 30% to 15% and state has removed the subsidy.
- Interruptions: in GHMC areas interruptions are due to the reason that as the Discoms have to complete the RAPDRP works by 30<sup>th</sup> June, 2016 and submit expenditure.
- Defaulters list: List of default above Rs.50,000/- is being displayed on the website.
- Recruitment: rigorous followup is being done with Govt.
- Electrical Accidents: 60% of accidents are happening in houses (cell ph charging temporary wiring etc) and 25-30% in case of farmers. Steps are being taken to reduce accidents and Discoms are following the orders of ERC in payment of enhanced compensation to the victims.
- Meters: Discom is purchasing high quality electronic meters and life of any electronic meters will be 5 years.
- Capacitors for low pf: Line capacitors are already installed on 11 kV feeders. Feeder wise power factor is monitored. Steps are being taken to replace CFL bulbs with LED bulbs.
- Backing down: backing down is being done on merit order.
- RPPO: Discussions on RPPO are going on and suggestions are noted. Telangana has abundant chances for solar purchase though wind is less.
- Material release and execution of works : As already presented to the Commission , a FIFO system is being followed from 1<sup>st</sup> January 2016 in material release and execution of works. In the process arrangements are made to send SMS to the consumer on material drawn and status of work etc. Complaints if any will be looked into.

The meeting concluded with Vote of Thanks by Secretary.

Sd/-  
COMMISSION SECRETARY