



For perusal

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Member/T

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Chairman

Date: 01.02.2017

To,
The Secretary,
 Telangana State Electricity Regulatory Commission
 11-4-660, 5th Floor,
 Singareni Bhavan, Red Hills,
 Hyderabad - 500004

Sub: Objections/Suggestions on the proposals of TSGENCO for determination of tariff for supply of electricity to discoms for 2014-15 to 2018-19 in OP.No 26 of 2016 submission – Reg.

With reference to the public notice dated 27.12.2016, we are here with submitting the following points for the consideration of the Honourable commission.

1. During the last couple of years number of power plants are being constructed, without going for competitive bidding under EPC, thereby escalating the cost. The capital costs of some of the projects are very high. Each project must be scrutinised and then permissibility determined as per regulations. TSGENCO has submitted its application on all projects without PPAs, details regarding capital cost, which does not reflect the principles of transparency and commitment to the ultimate consumer. The PPAs pertaining to, chhattisgarh NTPC and SCCL are pending with the commission.
2. Due to various projects in the pipeline and with no proper planning by TSGENCO/ State Government the scope of 31% surplus power would be available during 2017-18. This results in underutilised generation capacity and burden of fixed charges on the consumer. TSGENCO cannot go on with capacity building without proper planning and future necessities and going only by whims and fancies of the politicians of the helm of affairs.

The cost of purchasing 15810 mu at Rs.8802 crores or Rs.5.57 per unit of power as per ARR filings is more than the normal purchase price of Rs.4.46 per unit. The higher cost of the power of both TSGENCO and APGENCO at that price seem to include various components which have to be thoroughly examined.

The PPA with chhattisgarh project is most imbalanced in favour of chhattisgarh power project and loss in the consumer in Telangana state. There are many short falls in the above project, for example- Power station not yet commissioned, COD yet to be declared, there is no interstate transmission line connectivity. TS DISCOMS are not prepared to share any information under RTI Act and ERC blatantly refuses to give any information there seems to be no transparency.

5. All the power projects are to be converted under FGD, to reduce warming of environment as per international understanding. We do not know whether GENCO is prepared to convert all the projects, time to be taken for conversion, the quantum of the burden of the cost of the consumer.

We request the Honourable commission to direct the GENCO to furnish the necessary information for transparency and justice to the consumer.

With Regards

(G.R.Karunakar)

Convener, Policy Reserach

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TSERC, HYDERABAD
 INWARD
 03 FEB 2017
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 Signature