



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
**11-4-660, 5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad – 500 004**

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**PRACTICE DIRECTIONS ON IMPLEMENTATION OF OPEN ACCESS ON MIXED  
FEEDERS (OTHER THAN AGRICULTURAL LOADS) IN TERMS AND  
CONDITIONS OF OPEN ACCESS TO INTRA-STATE TRANSMISSION AND  
DISTRIBUTION NETWORKS REGULATION**  
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**Proceedings No. TSERC / Secy / 159 /2015**

**Dated: 18.08.2015**

**Read the following:**

- i. Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005.
- ii. Telangana State Electricity Regulatory Commission (Adoption) Regulations, 2014.

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**1. Background:**

The Electricity Act, 2003 provides for allowing open access to consumers intending to avail power supply from other sources other than the distribution licensee of the area. It also provides that the transmission and distribution licensees have to provide non-discriminatory open access under sections 39, 40 and 42 of the Act, 2003.

2. The Commission was established in July'2014 and became functional in November'2014, with the taking over of Members, Officers and Staff of the Commission. Immediately thereafter, the Commission adopted all the existing Regulations which were in force prior to its establishment and made by erstwhile APERC by regulation No. 1 of 2014 i.e., Telangana State Electricity Regulatory Commission (Adoption) Regulations, 2014.

3. The Commission was reviewing the implementation of the regulations adopted by it including Regulation No. 2 of 2005 being the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005. While doing so it has come to the notice of the Commission from some of the industrial consumers associations and FTAPCCI who have represented to the Commission about the problems faced by them in getting permission for availing supply through open access on express / mixed feeders. To resolve the issue, the Commission has

decided to issue practice directions by exercising its power as vested in clause no. 23 of Regulation No. 2 of 2005 of erstwhile APERC.

4. To take a decision and issue practice directions, the Commission has initiated the process of undertaking the proceedings in a transparent manner. It has issued a public notice inviting comments / suggestions from the stake holders, consumers, interested persons and other public indicating the last date for receipt of comments / suggestions as 20.06.2015 while indicating that a public hearing will be held on the said date. The public notice has been placed on the website of the Commission on 25-05-2015.

5. The number of comments / suggestions received are totalling 5 including that of the licensees. The Commission conducted public hearing on 27.06.2015 at 11 A.M., instead of 20.06.2015 as was notified earlier due to administrative reasons.

6. The objectors, M/s Telangana Spinning & Textile Mills Association, M/s The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, M/s All India Induction Furnaces Association and M/s Mylan Laboratories Limited have raised the following points in their written submissions.

(i) **Open Access on Mixed Feeders:**

- a) Discom have rejected Open Access applications of the 1 MW & above consumers on mixed feeders simply stating that open access is not feasible and have assigned no reasons as to how open access is not technically feasible and a uniform reason has been given to all aggrieved consumers.
- b) Open Access was allowed during the period of R & C measures being in force, i.e. November 2012 to July, 2013. Consumers were allowed to source electricity through open access and the SLDC issued standing clearance / no objection enabling the supply of electricity to the petitioners under open access through the power exchange. After R & C measures were lifted, the petitioners were not allowed to source electricity through open access though there was no change in any technical, metering or other parameter.
- c) During R & C period open access was even allowed for 100 KVA consumers on all types of feeders.
- d) Similarly open access was allowed from March 2014 to November 2014 when Discom had imposed one day power holiday per week.
- e) There is no separate definition for dedicated feeder and common feeder under the regulations and that there are no legal prohibitions that open access cannot be allowed to common feeder.
- f) Consumers were also instructed to install special category meters called ABT meters to avail power under open access system.
- g) There is no requirement under the erstwhile APERC / present TSERC Regulation that open access will be available only in cases where dedicated

feeders are available and that even the 5<sup>th</sup> proviso to Section 42 (2) requires open access to be provided to all consumers for 1 MW or more and it does not speak of dedicated feeder or otherwise and SLDC TSTRANSCO & TS DISCOM cannot further put additional conditions into the regulations. When there is technical feasibility for availing electricity through open access in previous years on all types of industrial feeders and when the SLDC has itself certified for each of those months that all technical requirements were met, the ground for rejection now is untenable and not justified on grounds of technical feasibility.

h) Discoms are bound to allow the consumers to draw all its requirements of energy and the distribution system capacity to such extent is reserved for the consumer and that instead of drawing Discom power within the same reserved distribution system capacity, the consumers is exercising its right and option under law to take the actual electricity from other sources under open access and that no issue of capacity arises and the rejection of the open access applications of the consumers is arbitrary and unreasonable.

i) In pursuance of the provisions of the Electricity Act, 2003, the erstwhile Andhra Pradesh Electricity Regulatory Commission (APERC) has issued the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (Regulation 2 of 2005). Clause 8.1 of the regulation 2 of 2005 provides that the nodal agency shall permit open access to the transmission / distribution systems from April, 2008 where the contracted capacity is greater than 1 MW.

j) "One of the most important features of the Electricity Act 2003 is the introduction of open access under Section 42 of the Act. Under the open access regime, distribution companies and eligible consumers have the freedom to buy electricity directly from generating companies or trading licensees of their choice and correspondingly the generating companies have the freedom to sell." But the DISCOMs and Transco are neglecting the implementation of Section 42 which is paramount to disregarding the provisions of the Act.

k) If the DISCOMs are apprehensive of losing revenue by permitting open access, we submit that announcement of cross subsidy of Rs. 1.29/- by TSERC will take care of the interest of Discom.

l) The industrial units under mixed / express feeders are not having a level playing field with those of units under dedicated feeders. Though the units are competing with their counterparts in all aspects such as technology, and quality, the cost advantage gained by the units under the dedicated feeders due to open access power is making them uncompetitive. Thus by not permitting open access to the consumers under mixed feeders / express feeders DISCOMs are discriminating against them.

m) M/s Mylan Laboratories Limited stated that, in the impression of getting open access power through 33 KV, they have upgraded their 2 nos. of 11 KV HT Services to 33 KV level, investing an amount of Rs. 1 crore, during

March 2014. As an amount of around Rs. 7 crores is involved for getting supply through dedicated feeder they had restricted their up gradation till the level of 33 KV mixed feeder only.

**ii) 3<sup>rd</sup> ABT Meter:**

a) They stated that many of industrial consumers have initiated work for installation of 3<sup>rd</sup> standby ABT meter and also some of their members have paid money for 3<sup>rd</sup> ABT Standby meter but Discom has failed to issue the required material even after considerable delay.

b) The consumers are instructed to install three inter-phase meters, main, check and stand-by meters for all open access consumers. In spite of having issued the order and implementing it, the DISCOMs and Transco are still saying that permitting open access is not feasible and denying no objection certificates (NOCs) to the consumers.

c) Prior to the order on metering issues, the consumers were instructed to install special category meters called ABT meters to avail power under open access system.

d) Recently Telangana State Electricity Regulatory Commission vide proceedings No. TSERC / Sect / 13 / 2015 dated 02.02.2015 passed orders in furtherance and implementation of the provisions as contained in Section 55 of the Act and also in terms of Regulations of the Central Electricity Authority and Central Electricity Regulatory Commission, para – 12 of the said order deals with location of inter-phase meters in respect of the consumers availing open access, who are not having dedicated feeder i.e., common feeders / express feeders. As per para 12.2, of the said proceedings, the location of meters in respect of above category consumers.

7. The Licensee, TSSPDCL has submitted as following:

a) SLDC the state load dispatch centre is nodal agency for STOA is collecting the technical feasibility from DISCOMs.

b) TSSPDCL being the Distribution company has to furnish the technical feasibility for consumers opting open access as per clause 5.2 of APERC Regulation 2 of 2005.

c) As per clause 6.2 of APERC Regulation No. 2 of 2005, the short term open access shall be allowed, if the request can be accommodated by utilizing:

i) Inherent design margins;

ii) Margins available due to variations in power flows and unutilised capacity, if any; and

iii) Margins available due to in-built spare capacity in transmission and / or distribution systems created to cater to future load growth

As per clause 5.2 and 6.2 of Regulation 2 of 2005, it shall be technically feasible and margin shall also be available to allow STOA.

- d) The APERC has implemented the R & C order from September 2012 to July 2013 and restrictions were imposed and Permitted Consumption Level (PCL) and Permitted Demand Level (PDL) quota were fixed with respect to the sanctioned load.
- e) As the margin was available on the feeder due to PDL and PCL quota fixed for each consumer subjected to R & C and no load conditions on the feeders during power holidays period open access was allowed during R & C period and during power holiday period for all the consumers.
- f) During the restriction and control measures open access was allowed to all HT consumers irrespective of voltage and type of feeder i.e., no objection certificates (NOC's) were issued for mixed feeders also as per R & C order of APERC to permit Open Access (OA) to 100 KVA consumer and above. Hence, open access was allowed during R & C period and during power holidays and power restriction period.
- g) But during non power holiday period allowing the consumer to open access existing on mixed and express feeder is not possible due to operational constraints.
- h) In case of difficulty in maintaining balance between supply and demand, the DISCOMs have to take action as per clause 19.5 of APERC Regulation No. 2 of 2005 which is reproduced below.
  - 19.5 curtailment due to constraints: The licensee, based on directions from SLDC may curtail power to any open access user or users, whether long-term or short term, in an event of emergency threatening grid security and stability. As far as practicable the priority in curtailment shall be as prescribed hereunder:
    - i) Short-term open access users of the network shall be curtailed in the first step, followed by.
    - ii) All other consumers including long-term access users, but excluding distribution licensees, in ascending order of contract period, followed by
    - iii) Distribution licensees.
- i) As mentioned above, during emergencies it is not possible to control the short term open access consumer existing on mixed / express feeder as other regular consumers i.e. HT, LT, agriculture, domestic etc. also exists on the same feeder. If it is a dedicated feeder it can be controlled and monitored regularly for compliance of above through the sub-station from emanating point (SS) of feeder.”
- j) Further curtailment of power to open access consumer on mixed feeder is not possible as all types category of consumers will exist on the same

feeder. Hence curtailment to short term open / long term open access consumer cannot be implemented on same mixed feeder. This clause 19.5 of APERC can be implemented to open access consumers existing on dedicated feeder only. This curtailment order for short term open access, long term open access and DISCOM consumer who are on the same wires (mixed feeder) cannot be operated or disconnected by DISCOM as per 19.5 of 2 of 2005. Once the OA consumer purchased power from exchange, utility has to take steps to deliver the power from entry point (IEX) to exit point (consumer), which may not be possible and difficult during emergency load reliefs to maintain the grid stability.

- k) Once NOC has been issued for a HT consumer to avail power through open access, then the DISCOM has to arrange uninterrupted power supply to that quantum of power purchased through open access.
- l) Further, if emergency load relief is imposed on the feeder where the open access consumer is existing, the OA consumer cannot utilize full quantum of open access power at the exit point to the extent of energy booked / purchased through open access which is a financial burden and they may claim for compensation and lead to court cases / litigations. The production plan for their committed orders of the OA consumer gets disturbed.

Operational constraints:

- m) Further, it is to submit that presently TSSPDCL is able to meet the demand supply gap and is not imposing any power holidays and power restrictions to HT consumers. The system is designed in such a way to carry the rated capacity on a particular feeder based on the loads sanctioned as per capacity. Whereas, as power holiday are not imposed the DISCOM power will be flowing as per the requirement of the existing consumer on that feeder. If any open access is to be allowed to any particular consumer, the power transformers, feeder and protection devices such as breakers, CTs, PTs, relay, etc has to have the capacity to carry the additional power proposed under open access.
- n) It is to submit that there were two major grid failures in the North-East on consecutive days, one on 30<sup>th</sup> July, 2012 and another on 31<sup>st</sup> July, 2012 and the Govt. of India has initiated action to strengthen the grid by reducing the band width of frequency where the communication play the major role like RTU, SCADA, etc. The CERC had in the past narrowed down the permissible frequency range for deviation on 03.05.2010 from 49.0 – 50.3 Hz to 49.5 – 50.2 Hz and thereafter, reduced it further to 49.7 – 50.2 Hz with effect from 17.09.2012. Commission has further narrowed grid frequency range for improved efficiency of grid vide Deviation settlement Mechanism and related matters) Regulations, 2014, these regulations came into effect from 17.02.2014. Charges for deviation for each 0.01 Hz step is equivalent to 35.60 paise / kwh in the frequency

range of 50.05 – 50.00 Hz and 20.84 paise / kwh in frequency range / below 50 Hz to below 49.70 Hz.

- o) Hence, any variation in the grid frequency causes the DISCOM to be penalized with heavy UI charges which in turn has to be passed on to the end users i.e. consumers. Under such conditions allowing open access to the consumers existing on express and mixed feeder cannot be monitored as the No. of consumers will be large in number and curtailing those feeders is not possible in practice. Whereas, the consumer fed through dedicated feeders are small in number and can be monitored regularly.
- p) The Licensee have also raised the other aspects by referring to the following:
  - a) CERC order in petition No. 317 of 2009 relating to Chhattisgarh State Load Dispatch Centre, Raipur
  - b) Haryana Electricity Regulatory Commissions (Terms and Conditions for grant of connectivity and open access for intra-state transmission and distribution system) (1<sup>st</sup> Amendment) Regulations, 2013.
  - c) Chhattisgarh State Electricity Regulatory Commission (Connectivity and Intra-State Open Access) First Amendment – Regulations, 2012.
  - d) Kerala State Electricity Regulatory Commission (Connectivity and Intra-State Open Access) Regulations, 2013.
  - e) Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2011.
- q) Many open access consumers have approached various courts in many issues such as R & C, open access bills, settlements, etc. The list of court cases is enclosed. This is due to allowing open access to all consumers i.e. existing on mixed / express feeders during R & C period.
- r) Hence, all the above issues are considered and grant of open access is not feasible to consumers existing on express and mixed feeder. But the installation of interface meters i.e. main, check and stand by meter cannot be considered as technically feasible and open access during non power holiday period / non restriction & control period cannot be permitted. The Hon'ble Commission is prayed:
- s) To consider open access under specific conditions only i.e. when power holidays and power restrictions are imposed to all the consumers existing on dedicated, mixed and express feeders as issued by other state commissions.

8. On the date of public hearing submissions were made by the several consumers / organisations espousing the case of providing non discriminatory open access to all the consumers above 1 MW as provided in the regulation including consumers availing supply from mixed / express feeders for availing open access. The industrial consumers have agreed that they will opt for open access on mixed feeders within the contracted maximum demand (CMD) availed with the DISCOM. They have

also assured that they will avail the supply of power on round the clock (RTC) basis, but by not cherry picking the timings in a day of their choice.

9. The industrial consumers submitted that the DISCOMS should consider allowing open access to the consumers availing power of more than 1 MW on mixed feeders for which they are willing to commit themselves through an undertaking letter, that they will forego the energy loss occurred due to operational constraints i.e, interruptions caused due to shutting off feeders for load reliefs (LR) in order to maintain the standards on the grid.

10. The TSSPDCL has reiterated its submissions made earlier in writing and also agreed to submit further comments later in writing, which it did so on 04.07.2015.

**11. Discoms comments and views**

a) The licensee submitted that during period when R & C measures where in force, many consumers are opting for purchase of power from IEX under short term open access (one month at a time). It may be noted that though OA is been granted on short-term basis for a month, this has become a regular practice and the consumers roll-over the OA request every month.

b) On a mixed feeder, the inherent design margin present is low because the system utilization pattern of consumers on the mixed feeders is different. Hence this is a constraint for granting open access to consumers.

c) As per clause 19.5 of Regulation 2 of 2005, the licensee needs to follow the instructions of SLDC for curtailment of power in case of constraints.

d) Though the Act doesn't specify anything with regard to the type of feeder for allowing open access, it needs to be noted that these aspects would get covered when considering the operational constraints.

e) As per clause 19.5 of Regulation 2 of 2005, the licensee needs to follow the instructions of SLDC for curtailment of power in case of constraints. .

f) The licensee requested the Commission to allow Open Access on dedicated feeders.

g) During non- R & C periods, even if the consumers are allowed OA within their contracted capacity, (measures for ensuring that the OA consumer draws power within his contracted capacity are not available) there are no penalties for exceeding the CMD on the consumers for restricting their usage within the CMD . As a result, the any excess drawl would need to be catered to by the DISCOM.

h) DISCOM being obligated to provide uninterrupted power supply to all the consumer shall be having long term supply agreements with generators based on the demand contracted to the consumers. In view of the long term Agreements DISCOM shall be paying the fixed charges for demand and energy charges to the contracted capacity.

i) Scheduled open access consumers under short term open access through IEX will be availing power on day ahead basis and or for some blocks of the

day based on the availability of power from IEX and when the rates are acceptable to them. But this sort of cherry picking cannot be predicted by DISCOMs and the DISCOMs have to pay committed amounts to generators. Further this kind of practice by the consumers is creating a challenge for the DISCOM in planning and contracting for adequate power and strengthening of the network in an optimal manner. This in turn is passed on to the other end users. Hence, allowing open access within CMD is also not practicable, as the consumer's utilization cannot be predicted.

j) The licensees submitted before the Hon'ble Commission that during period where there was R & C measures in place, in order to protect the interests of industrial consumers as per the orders of Hon APERC, licensees had issued NOCs to permit OA to extent power was curtailed by the DISCOM.

## 12. Commission's view and reasoning

a) As per clause 8.1 of Regulation 2 of 2005, the Nodal agency shall permit the open access strictly in accordance with the following phases:

| Phase | Eligibility criteria  | Commencement date |
|-------|---|-------------------|
| 1.    | Consumers availing of power from NCE developers irrespective of the quantum of contracted capacity. | September, 2005   |
| 2.    | Contracted capacity being greater than 5 MW   | September, 2005   |
| 3.    | Contracted capacity being greater than 2 MW   | September, 2006   |
| 4.    | Contracted capacity being greater than 1 MW   | April, 2008       |

b) Clause 8.2 of Regulation 2 of 2005 stipulates that, *The licensees shall make all reasonable attempts to ensure that operational constraints in the Transmission and / or Distribution systems as the case may be, including metering, communication systems, capacity determination, etc. are removed as per the phasing plan indicated above so that, as far as possible, no eligible consumer is denied open access on the grounds of operational constraints in the system.*

c) As per the clauses 8.1 and 8.2 of Regulation 2 of 2005, the Licensees shall remove all the operational constraints in the transmission and / or distribution systems, including metering, communication systems, capacity determination, etc. and no eligible consumer shall be denied open access on the grounds of operational constraints in the system.

d) The industrial consumers have ascertained that they will avail open access within the contracted maximum demand (CMD) entered with Discom. In view of the above the non-availability of margin in the system on account of operational constraints does not arise. The consumers who are willing to avail open access are scheduled consumers i.e part of their CMD will be availed from open access. Further they are willing to give undertaking that they will not claim for the energy lost due to load reliefs under grid

emergencies. Then there is no dispute to follow the mentioned clauses of Regulation 2 of 2005 by SLDC.

- e) The consumers willing to avail of open access ascertained that they avail supply through open access on RTC (Round the clock) basis not by cherry picking by time. The open access consumers are paying demand charges on 80% of CMD which covers fixed charges of Generators. Discoms can plan the power purchase under short term including purchase through power exchanges in a proper way as to minimize the loss due to contractual obligations. On this account, the Commission can not deviate from the intention under section 42 of Electricity Act, 2003 by disallowing open access to willing consumers.
- f) Commission is of the view that if open access is allowed to the consumers who are availing supply on 33 KV mixed feeders which feed supply to 33/11 KV sub-stations of Discoms having loads of Agriculture, domestic and Industrial, the Consumer may get limited hours of supply due restricted hours of supply to agriculture. The supply hours may change time to time under roster system adopted by Discoms as per the local area requirements and crop pattern. Frequent interruptions are occurring to present network feeding agriculture loads. A lot of system strengthening is being planned by Discoms to improve the power supply to agriculture sector. Further, even though the consumer is willing to give undertaking but it is not desirable to avail power through open access as the consumer will get only limited hours of supply in various timings and loses the energy procured under open access which causes heavy loss to the consumer.
- g) Hence the Commission is of the view that open access can be allowed to those consumers only who are availing supply through express and mixed feeders which are not feeding to the agricultural loads.**
- h) At present the Commission intends to keep the minimum limit for open access as 1 MW only as per the Regulation 2 of 2005.

**13. After considering the comments / suggestions of stake holders the Commission issues the following practice directions on allowing open access on mixed feeders:**

Open access can be allowed to those consumers only who are availing supply through mixed feeders which are not feeding to any of the agricultural feeders / loads, apart from consumers availing supply through dedicated feeders subject to the following conditions. The other clauses of the Regulation 2 of 2005 remain same.

- a) To allow open access to those consumers who give undertaking that they avail supply within the contracted maximum demand (CMD) entered with the Discom.

b) To allow open access to those consumers who are willing to take supply on Round The Clock (RTC) basis only.

c) By taking an undertaking letter from consumers that they will forego the energy loss occurred to them on account of imposing load reliefs in case of grid emergencies.

14. The directions will be effective from **Dt 01.09.2015**

This proceedings is corrected and signed on this 18<sup>th</sup> day of August 2015

**Sd/-**  
**Member(Technical)**

**Sd/-**  
**Member(Finance)**

**Sd/-**  
**Chairman**

**CERTIFIED COPY**