

Chairman & Managing Director/TSSPDCL responses to the objections raised by various objectors on TSSPDCL's filing of ARR & Proposed Tariffs for Retail Supply Business including Cross Subsidy Surcharge and Additional Surcharge proposals for FY2018-19 during the Public Hearing held on 12th February, 2018 at FTAPCCI hall, Hyderabad

1) 24Hrs Power Supply to Agriculture:

24hrs power supply to Agriculture is extended from January 1st, 2018 as per the policy of Telangana State Government. With the implementation of 24 hrs power supply to Agriculture, the farmers can pump water at any time of the day at their comfort and accidents due to power supply during night hours will be avoided.

2) Curbing the Corruption:

The Chairman & Managing Director has strongly emphasized the need to curb the corruption in whatever form and level it may exist. Serious action is being initiated on erring staff by the Department in respect of all the complaints which are proved. It is ensured that all the Superintending Engineers of Operation Circles attend the public hearing in order to bring awareness on the various problems faced by the consumers due to corruption in their respective circles, so that necessary action is taken for avoiding corruption at field level.

3) Accidents:

The Discom has made analysis by comparing the accidents occurred in the month of January, 2018 i.e., after extending 24Hrs power supply to agriculture and accidents occurred in the same month of previous year i.e., January, 2017. It is observed that the number of accidents has reduced from 12Nos to 7Nos and out of 7Nos accidents occurred in the month of January' 2018, 3Nos accidents have occurred at consumer's residence and due to consumer fault. However, the Discom is sanctioning the ex-gratia proposals received in respect of all cases irrespective of consumer/dept. fault on humanitarian grounds.

4) Toll free number for agricultural consumers complaints:

All the Superintending Engineers of Operation Circles are responsible for rectification of complaints received on toll free number 18004253600 in their respective jurisdiction. The consumers can approach concerned SE/Op if the complaint registered in toll free number is not rectified within 48hrs.

As per the suggestion of objectors, it will be arranged for display of the toll free number on DTR plinths, poles, bill collection centres, Gram Panchayat offices, bus stands, etc.

5) Street light wiring:

Budget of Rs.96Cr has been allotted for separate wiring to street lights and an expenditure of Rs.26.72Cr has been made by drawing the required material.

6) Loose lines:

Budget of Rs.132.13Cr has been allotted for rectification of loose lines, erection of inter poles and an expenditure of Rs.47.86Cr has been made. Instructions are being issued to all the field officers to speed up the progress

of works and ensured that all the identified loose lines will be rectified by the end of September, 2018.

7) DTR Failures:

Infrastructure development activities have been carried out for implementing the 24hrs power supply to agriculture w.e.f. 1st January, 2018. Further, most of the farmers have removed auto-starters available to the pumpsets after extending 24hrs power supply. The discom has compared the DTR failure data of January month in 2018 & 2017 and it is observed that the transformer failures have been reduced by 40%. The DTR failure rate of Discom for the current year up to January, 2018 is 7.69% and the failure rate in GHMC area is less than 2%.

The information of all the overloaded DTRs will be obtained from the field and immediate necessary action will be initiated for enhancement of the overloaded DTRs.

8) Lower Tariff to Gated Communities under category HT-VI Townships & Residential Colonies compared to Domestic category:

The consumers categorized under HT-VI Townships & Residential colonies are levied with demand charges of Rs.60/kVA along with energy charges of Rs.6.30/kVA whereas the domestic consumers are not levied with any fixed charges. Hence, the effective tariff of HT-VI category is greater than LT domestic category.

9) Tariff for Commercial loads in GMR Airport:

The non-aviation loads viz., M/s Novotel Hotel and M/s Amazon are being billed under HT-II Others category with highest tariff. The other non-aviation loads of GMR Airport will be segregated and fed from new substation with separate metering at source point to bill under appropriate category.

10) Title Transfer:

In order to avoid legal complications in respect of ownership, the Discom has to follow the procedure of title transfer strictly by collecting the required documents from the consumer.

Acceptance of cash instead of DD for application of title transfer will be examined. However, there is a facility of online application and payment for title transfer through TSSPDCL website.

11) Procurement of power:

The Discom is procuring power through Open bidding at competitive prices.

12) Cross Subsidy Surcharge & Additional Surcharge:

The Discom has adopted the methodology stated in the amended National Tariff Policy notified by the Ministry of Power on 28th January, 2016 for determination of the cross subsidy surcharge. The Discom has followed the methodology outlined by the Hon'ble TSERC for computation of additional surcharge and the same has been submitted as part of the ARR and Tariff filings - 2018-19. Any relief in Cross Subsidy Surcharge and Additional Surcharge will lead to under recovery of costs to the DISCOMs and have impact on the financials of the Discom.

13) Revenue Gap in view of no Tariff revision:

The revenue gap will be met through suitable support from the Government after scrutiny of the gap by the Hon'ble TSERC.

14) Company Audited Accounts for FY2016-17:

Annual audited accounts upto FY2015-16 are already available in the TSSPDCL website. The final audited accounts of FY2016-17 approved by C&AG recently and the same will also be placed in the TSSPDCL website. However, the Discom has submitted a copy of the audited accounts of FY2016-17 to the Hon'ble Commission as part of the additional information on ARR Filings 2018-19.

15) RPPO Obligation:

The Discom is procuring Solar power/NCE to meet RPPO targets fixed by the Ministry of New & Renewable Energy, GoI, which forms the social responsibility towards green energy aimed at mitigating the climate change.

Telangana Discoms are saving approximately Rs.50Cr per year by reducing its distribution losses through adoption of Decentralized Distributed Generation (DDG) concept i.e., solar projects are being set up at each district level to partially meet the district demand.

16) Surplus Power:

In order to avoid load sheddings and to meet the peak loads occurred mainly due to predominant agriculture loads in Rabi & Kharif seasons, the Discom has to make power procurement on RTC basis. Hence, surplus power is available during non-peak hours, where ToD incentive is being given @Rs.1.00 per unit. In order to ensure uninterrupted power supply to all categories of consumers, the Discom has to maintain a surplus power equal to the highest generating station capacity.

17) Railways Tariff:

As per the request of Railways, the Hon'ble Commission in Tariff Order 2017-18 has brought down the tariff for HT-V Railway Traction category which is already less than the average cost of service and hence further reduction in the tariff is not acceptable.

18) Consideration of 70% PLF for TSGenco Stations:

TSGenco old stations whose variable cost is highest are being backed down and hence 70% PLF is considered against normative PLF. Further, the PLFs of thermal power plants across India have seen a drop due to increased penetration of renewables in the grid.

19) Higher projection of HT sales and Lower projection of Agriculture sales:

The Discom has made realistic assumptions of sales growth category wise based on the current and past trend, Policies and upcoming additional loads.

Higher growth is projected for HT due to consideration of upcoming additional loads of the end users viz; Lift Irrigation, Mission Bhageeratha, Railways, HMR and major industrial loads. Further, the projected requirement given by the irrigation department have been reduced by considering the physical progress of the schemes.

Agricultural Sales for FY2018-19 are projected on lower side due to consideration of 941.92MU additional sales towards LI Schemes, which will reduce burden on Agriculture pump sets to an extent and with the implementation of 24 hrs power supply to Agriculture, the farmers will judiciously pump water only as per their requirement resulting in lower consumption of electricity.

20) Bio-mass plant at Thakkallapally (M/s Shravana Power Projects Ltd.):

The Objector has stated that the Bio-mass plant existing at Thakkallapally village (Yacharam Mandal, Rangareddy District) is leading to air/water pollution due to which the residents of the village are facing many difficulties and hence the generation from this plant has to be stopped. The erstwhile APTransco has entered into PPA with M/s Shravana Power Projects Ltd. in 2003 in respect of their Industrial waste power project in Kandukur (M) and APERC has also issued consent to the PPA. Further, the location of the plant was changed to Yacharam (M) with enhanced plant capacity but no power is being procured from the said biomass plant so far. The Chairman & Managing Director has stated that the issue of bio-mass plant creating pollution will be examined and subsequently report will be submitted to the Hon'ble Commission.

21) Categorisation of HPCL:

As there is no manufacturing activity involved in gas/oil storage/transfer stations, they are re-categorized from HT-I Industrial Category to HT-II Others Category as per the Tariff Order.

22) Know your Electricity Bill:

Printing the details of bill item wise on the back side of Electricity Bill for understanding and knowledge of the consumer will be examined.

23) Discrepancy in Subsidy details:

Subsidy commitment from the Government to the Discoms category wise for ensuing year will be shown in the Tariff Order. After issuing the tariff order, the additional subsidy issued by the government for certain other categories of consumers like spinning mills, ferro alloys, etc., will be reimbursed to the consumer after issuing the electricity bill to the consumers as per the Tariff Order. Hence, there is a discrepancy in the subsidy amount shown in the Government budget and Tariff Order.

24) Shifting of overhead lines passing above the residential buildings:

The overhead lines are laid by the company with standard clearances but due to construction of buildings by the consumers later on, the clearances are reduced. The Discom has identified such overhead lines passing above the buildings and estimated the total cost of shifting as Rs.360Cr. Hence, if any consumer desires for shifting of overhead line, the work will be taken up by the Discom on payment of required charges.

25) Capital Expenditure made by the Discom:

An amount of Rs.1107Cr. has been sanctioned with 60% grant from GoI under IPDS & DDUGJY Scheme for total Telangana State against the proposal of Rs.11,000Cr. made by TSSPDCL alone. However, the capex made by the Discom is within the limits of the MYT Order issued by the Hon'ble Commission.

26) Creation of separate category for MSME:

As per the industrial policy, MSME will be categorized based on turnover of the company irrespective of whether it is a power intensive industry or not. Whereas in the Tariff Order, the categorization is done based on consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required (as per section 62(3) of the Electricity Act, 2003). Hence, the Discom cannot propose separate category for MSME.

27) Increase of CMD limit from 100HP to 150HP for LT-III Industrial category:

The request of Rice Millers Association for increase of CMD limit from 100HP to 150HP for LT-III Industrial category may be considered by the Hon'ble Commission. However, the Hon'ble Commission has created a separate Optional sub-category under HT-I(A) from FY2016-17 up to contracted maximum demand of 150 kVA with lesser demand charges and high energy charges so as to meet the requirement of rice mills.