



# Objections/Suggestions on

## ARR/Tariff Proposals of TSDISCOMS for 2015-16

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# Tariff Hike Rs 1088 cr or Rs 3307 cr?

Particulars	Amount (Rs. in Cr)
Annual Revenue Requirement (ARR)	26,473
Revenue from Current Tariffs	18,908
Revenue from Tariff Hike	1,088
Expected subsidy shown in ARR	6,476
Provision made in the Budget towards subsidy	4257
Short fall in Budgetary Support	2219
Tariff Hike Required	3307



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# CONSUMERS WITHOUT OCCUPANCY CERTIFICATE

# 3 times Tariff from Consumers without Occupancy Certificate-1

- Hon'ble High court Telangana and Andhra Pradesh in judgment dated 11.11.2014 in W. P. No. 33904 of 2014 observed that:
  - *“Being a licensee, it (Discoms) cannot charge its consumers higher tariff than what is prescribed by the tariff regulations, approved by the Regulatory Commission”*
  - *“In this view of the matter, demand and collection of electricity consumption charges at three times the normal charges from the petitioner cannot be sustained and the same is declared as illegal.”*
  - *“The respondents are directed to adjust the excess tariff, if any, collected so far, from the petitioner's future C.C. bills.”*

# 3 times Tariff from Consumers without Occupancy Certificate-2

- Hon'ble Commission in its Ir dt: 20-12-2014 observed that,

*“the said judgment **be universally applied** to all such consumers, who satisfy the condition stated in the above judgment.”*

*“**In order to not to drive every consumer to the court**, standing instructions may be issued to the field officers by the DISCOM on the lines of the judgment passed by the Hon'ble high Court.”*

# 3 times Tariff from Consumers without Occupancy Certificate-3

- In spite of specific orders from Hon'ble High Court and Hon'ble TSERC, **Discoms continue to collect higher charges** from Consumers.
- We request the Commission to direct Discoms
  - to **stop collecting higher tariffs** from Consumers forthwith and
  - **return, excess charges collected if any**, from the future bills of the consumers.



DEATHS DUE TO  
ELECTROCUTION

# Deaths due to Electrocution-1

- In a reply to an *unstarred* question in Lok Sabha on 04-12-2014 Union Minister of State for Power informed that highest number of deaths in the country due to electrocution are in United AP.
- During 2012-13 number of deaths in AP was 880 against total recorded deaths in India 3435, i.e. 25.70%

# Deaths due to Electrocutation-2

Death toll continue to be high during 2013-14 and 2014-15

DISCOM	2013-14	1 <sup>st</sup> half of 2014-15
NPDCL	185	87
SPDCL	251	129
Telangana	436	216

# Deaths due to Electrocution-3

- These deaths are highly avoidable.
- These deaths are taking place due to neglect of rural network by the DISCOMs.
- Every year the Commission allowed Rs. 5 crore to be spent by the DISCOMs on safety measures to avoid such deaths.
- But DISCOMs are not utilising them.
  - NPDCL spent
    - Rs. 34.25 lakh during 2013-14 and
    - Rs. 12.29 lakh during first half of 2014-15.
- If the safety of DTRs were improved many of these deaths could have been avoided.

# Deaths due to Electrocution-4

- In the past (2013) the Commission directed the DISCOMs to run neutral wire from 33/11 kV substations to all single phase transformers, particularly in the back ground accidents with single phase HVDS transformers.
- TSSPDCL replied that instruction were issued for preparation of estimates under T&D improvements and furnishing proposals under feeder works for executing the work of running of neutral wire in villages.
- One thing is even after such a long time they are still in the stage of preparing the estimates.
- Commission is requested to direct Discoms to complete the work in a time bound manner.



# DEATHS OF CONTRACT WORKERS

# Deaths of Contract Labour due to Electrocution –Safety Training

- Many contract/outsourced employees working in Distribution companies are meeting death/permanently incapacitated due to electrical accidents every year.
- The main reason for these accidents is lack of training provided to the contract employees before they are deployed to perform hazardous tasks.
- The Commission is requested to direct Discoms:
  - to provide intensive comprehensive training to all the contract employees on safety and other operational aspects.
  - Not to permit CLs to perform hazardous operations without imparting training.

# Death of Contract Labour due to Electrocution -Compensation

- Compensation paid to the deceased CL family is a meager amount of Rs 2 lakh.
- For a permanently incapacitated employee even this compensation is not paid.
- Also there is no compassionate appointment for the family members of the deceased/permanently incapacitated contract employees.
- **We request the Commission to direct Discoms:**
  - to pay Rs 10.00 Lakh compensation to the deceased CL family/permanently incapacitated CL.
  - To provide compassionate employment to one of the family members of the deceased CL/permanently incapacitated CL.



**WHO SHALL DETERMINE  
GENERATION TARIFF?**

# Who shall Determine Generation Tariff-SERC or CERC ?-1

- Erstwhile APERC had determined Generation tariff for Genco power plants for the period 2009-14.
- Now it is necessary to determine the generation tariff for Genco plants for the PPA term from 2015 onwards.
- TS Discoms have assumed sharing of power from all Genco stations based on G.O.20. irrespective of location of the plant.
- Thus all genco plants shall supply power to two states.

# Who shall Determine Generation Tariff-SERC or CERC ?-2

- Section 79(2) of Electricity Act, 2003 dealing with functions of CERC entails CERC
  - “ to regulate the tariff of generating companies other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one state.”

# Who shall Determine Generation Tariff-SERC or CERC ?-3

- Hence tariff of all Genco (Both TS and AP) shall be determined by CERC.
- All PPAs between Genco and Discoms shall be immediately submitted to CERC for tariff determination.

# Who shall Determine Generation Tariff-SERC or CERC ?-3

- Section 64(5) of Electricity Act, 2003 states that
  - “ .... the tariff for any inter-state supply....
  - involving the territories of two states may, ....
  - be determined under this section by the State Commission having jurisdiction
  - in respect of the licensee who intends to distribute electricity and make payment there for:”
- Hence if S. 64(5) is considered, both TSERC and APERC will have jurisdiction over all the Genco plants to determine tariff in respect of supply in their jurisdiction.

# Who shall Determine Generation Tariff-SERC or CERC ?-3

- Section 64(5) creates **anomalous situation** wherein tariff for one project will be determined by both the SERCs resulting in several complications.
- In such cases, **CERC observed** that to avoid such anomalous situation, the jurisdiction shall lie with CERC itself.
- Hence, if Telangana decides to procure power as per G.O.20, then all the PPAs shall be submitted to CERC for generation tariff determination.



ISSUES RELATING TO  
AP REORGANISATION ACT, 2014

# Excess Pension Liability on TSGenco-1

- Schedule-VIII, CI-(5)(1), APRA,2014 requires **apportionment of pension liabilities** between the successor states of Telangana and AP in the **ratio of population (41.68:58.32)**.
- G.O. 29 dt: 31-.5-2014 quantifies the total pension liability of two successor states in respect of power sector as **Rs 3247.95 crore**.
- **Accordingly** Pension liability of Telangana and AP should have been **Rs1353.74 cr, Rs 1894.21 cr** respectively.

# Excess Pension Liability on TSGenco-2

- However, as per G.O.No. 29 dt: 31-05-2014 pension liability allotted :
  - TSGENCO Rs 2330.57 cr
  - APGENCO Rs 917.38 cr
- Thus the **excess liability** towards pension transferred to **TSGENCO is Rs 976.83 cr** ( Rs 2330.57cr- Rs 1353.74 cr).
- This excess amount of Rs 976.83 cr is transferred to TSGENCO by **adjusting**
  - the **DISCOM Bonds** of TSGENCO worth of Rs 444.31 cr to APGENCO and
  - **Long term working capital loans** of APGENCO amounting to Rs 507.30 cr.

# Excess Pension Liability on TSGenco-3

- Balance amount of Rs 26.22 cr (Rs 976.83- Rs 444.31cr – Rs 507.30cr) is transferred to TSGENCO accounts
  - by artificially inflating the pension liability of Telangana
  - by considering a new criteria of ratio of
    - **'number pensioners'** in each state
    - **instead of population ratio** stipulated by APRA, 2014.

# Excess Pension Liability on TSGenco-3

- G.O.29 dt: 31-05-2014 makes several **false considerations/assumptions** in violation APRA, 2014 in apportioning excess pension liability on TSGENCO accounts.
- Hence, Commission is requested to consider the pension liabilities allotted to TSGenco **as Rs 1353.74 cr** as per the provisions of APRA, 2014 and **not Rs 2330.57cr** as wrongly projected in G.O.29.
- Commission is also requested to direct TS Discoms and TSGenco to discharging excess liabilities loaded on TS Accounts.

# Power from Inter-state Hydro

## Projects Located outside TS and AP

- It is learnt that TS Discoms are **not receiving 53.89% power from inter-state hydro projects** located outside the States of AP and TS ?
  - (Machkund, TB Dam, Minihydel projects etc,.)
- It is not clear **how AP is able to exercise control** over projects located outside their state.
- **Commission is requested to direct TSDiscoms to take appropriate steps to ensure TS share of power from inter-state hydro projects.**

# Surplus in AP –first right of refusal

- AP Discoms have shown about 11087 MU surplus power in their ARRAs.
- In a reply to this objector, APDiscoms have stated that, even after considering delayed commissioning of certain power plants, they would be left with about 4600 MU surplus power.
- As per APRA, 2014, Telangana has first right of refusal over this power.
- Commission is requested to direct TSDiscoms to initiate steps to purchase this excess power from AP, instead of purchasing expensive naphtha based power.



ISSUES RELATING TO  
AGRICULTURE

# Injustice to farmers in NPDCCL-1

Particulars	NPDCI	SPDCL
Consumption in 2013-14 (MU)	4,348	6,694
Consumption in 2014-15 (MU)	4,715	7,238
Consumption in 2015-16 (MU)	4,904	7,528
Per pump set Consumption in 2015-16 (U)	4,567	7,697
No. Pump sets in 2015-16	10,73,870	9,78,028

# Injustice to farmers in NPDCL-2

- Commission is requested to ensure that **no such discrimination continues in future** and all the farmers in Telangana are treated equally.

# Details of Power Supply to Agriculture on website

- In 2013, APDiscoms had stopped posting details of feeder wise power supplied to Agriculture, when TEEJAC raised objection to discriminatory supply of power to farmers of Telangana compared to AP farmers.
- However, even after the formation of Telangana state, these details are not being posted on website.
- Commission is requested to direct TSDiscoms to post details of feeder wise supply to agriculture on their websites.

# Agl. Consumption during 2013-14- DSM vs Non-DSM-1

Particulars	NPDCL	CPDCL
Pump sets with DSM	9,75,729	10,93,743
Pump sets without DSM	3,086	5,275
Energy consumed by pump sets with DSM (MU)	4,355.60	9,157.93
Energy consumed by pump sets without DSM (MU)	5.77	32.19
Average consumption by pump sets with DSM (MU)	4,464	8,373
Average consumption by pump sets without DSM (MU)	1,870	6,102

# Agl. Consumption during 2013-14- DSM vs Non-DSM-2

- TSSPDCL reply that pumpset consumption depends on **capacity of pump**, is not justified.
- **It is not correct to say** farmers adopting DSM measures use higher capacity pump sets.
- **Commission is requested to look into this aspect and ensure that proper agriculture data is used for ARR determination.**



# OTHER ISSUES

# Green Power Category

- Green Power is shown as a **separate consumer Category**.
- The **objective of introducing this category** was to encourage Renewable Energy sources.
- **Proposed tariff** under this category is Rs 11.40/unit.
- However there are **no takers for this power** for many years, as the **tariff is too high**.
- There **is no rationale for fixing such high tariff**, for this category, as the cost of RE power is much lower than tariff fixed under this category.
- **Commission is requested to remove this category from the schedule.**

# Imported coal-

## Directions of Commission

- Following objections raised by the public during public hearings the Commission has given several directions in the case of utilisation of imported coal by central generating stations as well as APGENCO units.
- TSDISCOMs in their replies in response to these directions merely mentioned that TSGENCO plants would not be using imported coal.
- Under the provisions of the AP Reorganisation Act TSDISCOMs also will be accessing power from CGS and APGENCO thermal units which are using imported coal.
- In this regard TSDICOMs also need to pay attentions to the directives issued by the Commission related to utilisation of imported coal.

# Imported coal-competitive bidding

- AP is not adopting competitive bidding process for procurement of coal.
- This is resulting in higher tariff burden on consumers.
- Commission is requested to insist APGENCO to procure coal through competitive bidding process only.

# Hinduja PPA to CERC

- Hinduja National Power Corporation Limited was selected in 1990s under fast track projects.
- PPA with it was entered in to by erstwhile APSEB in 1998. It was provided with sovereign guarantee.
- **MoA was entered on 17-05-2013** by the erstwhile APDISCOMs with M/s HNPCL for entering amendments to the existing PPA in line with the Regulations and EA2003.
- As the project supplies power to two states, the **tariff shall be determined by CERC.**
- **Commission may direct TSDiscoms to submit the PPA with TSDISCOMs before CERC for generation tariff determination.**

# IPP beyond expiry period

- Term of PPA for GVK-I and Lanco IPPs is expiring in ensuing financial year.
- In availability estimates, power from Gas based IPP projects is not shown beyond PPA term.
- As per terms and conditions of PPA, Telangana gets power from these projects even after expiry of PPA term, either through buy-out or extension of PPA term.
- Commission is requested to show availability of power from these projects.

# Other issues

- Installation of Capacitors.
- Procurement of short term power – guidelines to be followed.
- HVDS-Need for cost-benefit analysis
- Cross subsidy surcharge –detailed calculations to be furnished



Thank you