



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

MINUTES OF THE 3rd MEETING STATE ADVISORY COMMITTEE HELD ON 07.03.2017 IN THE CONFERENCE HALL OF TSERC.

Present:

1	Sri Ismail Ali Khan, Chairman, TSERC
2	Sri H.Srinivasulu, Member, TSERC
3	Dr.K.Srinivas Reddy, IRS, Secretary , TSERC
4	Sri.G.Raghuma Reddy, CMD, TSSPDCL
5	Sri.A.Gopal Rao, CMD, TSNPDCL
6	Sri.Anil Reddy Vennam, Immediate Past President, FTAPCCI
7	Sri.N.Sreekumar, PRAYAS (Energy Group)
8	Sri.Y Narendra Babu, General Secretary, FETSIA
9	Sri Lakhan Lal Meena, Chief Electrical Distribution Engineer, South Central Railways
10	Sri.E.Sridhar, Member, Telangana State Electricity Employees' Union- 327
11	Sri.A. Chandra Mohana Rao,Head, Energy & Power Systems Division, ESCI
12	Sri A. Sudhakar Rao, Vice Chairman & Managing Director, TNREDCL
13	Dr.G.Chandra Mohan Reddy, Honorary Past President, Institute of Engineers
14	Dr.L.Muralidhar, Member, Jana Vignana Vedika
15	Sri.M.Sreedhar Reddy, General Secretary, Bharateeya Kisan Sangh,
16	Sri K.Rangaiah, General Secretary, All India Kisan Mazdoor Sangh, Telangana State
17	Professor S.Jeelani, , Centre for Distance & Virtual Learning, HCU

At the outset, the Secretary, TSERC has welcomed the gathering to the 3rd SAC meeting held in the conference hall on 07.03.2017. Briefed the gathering about the agenda of the meeting. Thereafter, Hon'ble Chairman, TSERC has given his inaugural address, explained the objectives of SAC meeting and requested the SAC members present to be brief and specific to the issues pertaining to ARR proposals submitted by TS Discoms for FY 2017-18. M/s ABPS, the consultant appointed by

the Commission has made a power point presentation depicting the salient features of ARRs filed. After the presentation, the SAC members present have spoken one after the other on various issues pertaining to tariff and non-tariff issues. The deliberations made in the meeting have been minuted as under:

1. Sri. N. Sreekumar, from Prayas (energy group) , while reiterating the fact that the power purchase cost constitutes 70-80% of the total costs has stressed the need for a separate public hearing to discuss in detail on demand forecasting and scheduling to rationalise power purchases by the utilities. He expressed a serious concern on increase in fatal accidents due to electrocution in the rural areas, year after year at 11 kV/400v Level, particularly in the two districts of Mahbubnagar and Medak in the area of TSSPDCL. He urged upon TS Discoms to bring down the number of electrical accidents in the state of Telangana by laying more emphasis on preventive measures such as maintenance of lines / transformers / sub stations at 11kV Level on regular basis. A short film of 15 minutes' duration made by Prayas highlighting the precautions and care to be taken while operating the electric motors in the agricultural fields by farmers in the rural areas so as to prevent the accidents has been exhibited, which was widely appreciated by the SAC members present in the meeting.

In order to have a regular interaction between the Commission and SAC members, he suggested that the SAC meetings may be convened more frequently, at least once in a quarter, not only to discuss on tariff related issues but also on consumer related issues. As regards to ARRs, he has suggested that no fixed charges on account of thermal units should be collected from the consumers. He advised the Commission to go ahead with the conduct of public hearing for retail tariff finalisation without further delay after taking into account the guidelines/conditions stipulated in UDAY scheme in finalisation of retail supply tariff FY 2017-18.

2. Professor S.Jeelani, Director, School of Distance Education, University of Hyderabad, while appreciating the efforts of TSDiscoms in augmentation of solar

power to the grid, he emphasised the need of exploring other sources of renewable energy such as nuclear energy in the state of Telangana.

3. Sri. M. Sreedhar Reddy, from BKS has once again brought to the notice of the Commission about inordinate delay caused in sanction of ex-gratia, particularly in the jurisdiction of TSNPDCL. He further said that, in some of the cases in TSNPDCL jurisdiction, the claim for ex-gratia payments were rejected summarily without assigning any reasons. Therefore, he requested that such cases be re-opened once again for fresh consideration and ex-gratia be paid, if the death is due to electrical accidents. Also, he submitted that in spite of the fact that the human and animal loss due to deaths are increasing day-by day due to electrical shocks, the TS Discoms have failed miserably in containing the incidence of fatal accidents. No awareness campaigns worth mentioning have launched up by TS Discoms for educating the farmers & other illiterate consumers in rural areas in prevention of electric accidents in the last two years. Hence, he urged upon the CMDs of both the Discoms present in the meeting to take up the awareness campaigns /programs in the rural areas of Telangana state on war footing to prevent the death of human beings & animals in coming days.

He also pointed out that the CGRF- II functioning in the Nirmal town of TSNPDCL area is not functioning effectively and therefore the work of CGRFs needs to be reviewed by the Commission on regular basis. When Chairman pointed out the existing rule of no free power to agricultural consumers, who have more than 3 connections, he suggested that instead of putting restriction on number, the same be done by putting a cap on total HP utilised by an agricultural consumer.

Sri Sridhar Reddy has taken a serious objection on the comments made by CMD, TSGENCO in a widely-circulated Telugu daily on the issue of suo -motu proceedings initiated by the Commission.. He also requested the Commission to expedite the promotions of the existing employees in TSERC.

4. Sri Narendra Babu, representing MSME segment, made a strong appeal to the effect that the tariffs should be decreased on the lines of some other states like Gujarat

for them to become more competitive in the country as there would be common market place with the implementation of GST from 1st July 2017. Also, he raised several other issues such as there should be night time Tariff [off-peak] incentives to encourage MSMEs to shift production activity from day time to night time as a measure for reduction of power costs. He expressed deep concern about the minimum demand charges levied during disconnection period, non-availability of open access facility up to 250kVA, frequent interruptions in power supply due to non-maintenance of DTRs in industrial areas. He also requested that TOD incentive may be given to LT-Industrial services for consumption during night times.

5. Dr. G. Chandramohana Reddy representing Institution of Engineers has made an appeal that the Government of Telangana has to come out with more policy statements to promote clean energy in the state. He requested that the power shut down by TSDiscoms should be curtailed to shorter periods, not more than couple of hours during maintenance schedule.
6. Sri Lakhanlal Meena, representing SCR has expressed a serious concern that the rate of return (RoR) on their investments is going down below 14% due to high tariff regime in Telangana State. He urged upon the Commission that the tariff has to be rationalised by reducing the same as was done by APERC, or else they will be compelled to buy power in the market through open access route. He also made a proposal that there should be concessional tariff for new railway lines coming up in the state as was done in some other states.
7. Sri A. Sudhakar Rao, VC & Managing Director TNREDCL, Hyderabad has requested the Commission to allow to file a petition for considering levy of renewal energy cess for use of development of renewable sources as was done by some other states like Maharashtra. In response Commission, has directed him to file relevant petition.
8. Sri K. Rangaiah representing AIKMS, Telangana State has made a request to the effect that the ARR proposals be filed in Telugu for better understanding of general public. He made a suggestion that the domestic consumers may be supplied free power who are consuming upto 100 units with entailment of higher Govt subsidy.

9. Dr. L. Muralidhar representing Jana Vigyana has stressed upon consumer awareness program in respect of fatal accidents due to electric shocks & conservation of energy be taken up on priority basis by TS Discoms
10. Sri E.Sridhar Secretary General representing Telangana State Electricity Employees Union 327 has demanded that the TS Discoms should immediately take up the task of recruiting staff at lower level so as to increase the efficiency of Distribution System. He also suggested that the TS Discoms should setup research & development (R&D) division for technological upgradation in the area of distribution network. Further, he advised that a Committee has to be setup to study the causes for high incidence of fatal accidents in the state of Telangana. He is of the view that a separate safety wing has to be setup in TS Discoms to oversee & monitor the accidents in respect of human beings & animals on regular basis to contain the accidents.
11. A. Chandra Mohana Rao representing ESCI has submitted that they are running a full-fledged training campus in Hyderabad and already trained several electrical engineers from across the country. Urged upon the TS Discoms to avail their facility by deputing the officewrs for training on regular basis for capacity building in critical areas such as earthing, coal quality with reference to blending, safety measures and pilferage of electricity, In response Sri G. Raghuma Reddy CMD, TSSPDCL has informed that they have a separate training centre for imparting training up to the level of AE/ADEs. However, he assured that he will consider deputing the officials at the level of DEs and above to ESCI for getting trained in the latest developments in domain of power distribution.
12. Sri Anil Reddy Vennam representing FTAPCII has requested the Commission to expedite the finalisation of Chattisgarh PPA as it is pending for long time. Instead of cross-subsidization by way of higher tariffs to industrial consumers, he suggested that the Government of Telangana should take the burden by way of more subsidy. TOD tariffs/ Incentives should be independent & be provided to all categories of consumers. The surplus in the books of TS TRANSCO has to be taken into account by finalising the retail supply tariff.

13. In response to the suggestions / advice given by the SAC members the CMDs of both Discoms have given clarifications on some of the points while some other suggestions given have been taken note of by them. During the course of deliberations, Hon'ble Member (Finance), TSERC has sought certain clarifications from the members present on the issues pertaining to ARR filed for FY 2017-18. The Hon'ble Chairman, TSERC has summed up the meeting with concluding remarks. In the end, Secretary, TSERC has thanked all the participants for attending the meeting and also for giving their suggestions & views on the subject matter of ARR proposals filed by the utilities.


18/3/17

COMMISSION SECRETARY

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PS to Chairman/SCO to Member(F)

All participants