



## TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

### MINUTES OF THE 5<sup>TH</sup> STATE ADVISORY COMMITTEE MEETING HELD ON 29.01.2020 IN THE CONFERENCE HALL OF TSERC

**Present:**

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| 1.  | Sri T. Sriranga Rao    | Chairman, Telangana State Electricity Regulatory Commission   |
| 2.  | Sri M. D. Manohar Raju | Member (Technical), Telangana State Electricity Regulatory Commission                               |
| 3.  | Sri Bandaru Krishnaiah | Member (Finance), Telangana State Electricity Regulatory Commission                                 |
| 4.  | Sri Umakanta Panda     | Commission Secretary [FAC], Telangana State Electricity Regulatory Commission                       |
| 5.  | Sri G. Raghuma Reddy   | Chairman & Managing Director, Southern Power Distribution Company of Telangana Limited              |
| 6.  | Sri A. Gopal Rao       | Chairman & Managing Director, Northern Power Distribution Company of Telangana Limited              |
| 7.  | Sri C. Srinivasa Rao   | Joint Managing Director, Transmission Corporation of Telangana Limited                              |
| 8.  | Sri N. Janaiah         | Vice Chairman & Managing Director, Telangana State Renewable Energy Development Corporation Limited |
| 9.  | Sri M. Surendar Reddy  | Managing Director, The Co-operative Electric Supply Society Limited, Siricilla                      |
| 10. | Sri E. Srinivasa Chary | Chairman, Energy Conservation Mission, The Institute of Engineers, Telangana State Centre           |
| 11. | Sri M. Thimma Reddy    | Member, People's Monitoring Group on Electricity Regulation   |
| 12. | Sri M. Sridhar Reddy   | Member, Bharatiya Kisan Sangh   |
| 13. | Sri N. Venugopal       | Social Service Activist   |
| 14. | Sri K. Sashi Bhushan   | State Secretary, Kisan Keth Mazdoor Congress  |
| 15. | Sri D. Venkateswar Rao | Practicing Advocate   |
| 16. | Sri M. A. Vazeer       | Central Committee President, Telangana State Power Employees Union                                  |
| 17. | Sri G. Nagaraj         | President, Telangana Vidyut Contract Workers' Union   |
| 18. | Sri E. Sridhar         | Secretary General, Telangana State Electricity Employees'   |

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|     |                  | Union 327  |
| 19. | Sri K. Prakash   | State General Secretary, Telangana Raastra Vidyut Karmika Sangam           |
| 20. | Sri G. Sai Babu  | State General Secretary, Telangana State Electricity Employees' 1104 Union |
| 21. | Sri G. Vinay Raj | Individual, E-Nethra Electrical Services                                   |
| 22. | Sri N. Sreekumar | Member, Prayas (Energy Group)  |
| 23. | Sri B. Rajkiran  | Associate Professor, Administrative Staff College of India                 |

The Commission Secretary, TSERC has welcomed the Members and Special Invitees to the 5<sup>th</sup> State Advisory Committee (SAC) Meeting and briefed about the agenda of the Meeting.

The Hon'ble Chairman, TSERC has given his inaugural address stating the importance of electricity in the overall development of the society, appointment of SAC Members under Section 87 of the Electricity Act, 2003, the objects of SAC as per Section 88 of the Electricity, Act, 2003, and welcomed the views of the Members on the filings as per the agenda. The Hon'ble Chairman, TSERC drew attention of the Members to the misrepresentation by few Members regarding their appointment.

The Commission's Consultant has made a power point presentation on brief overview of the filings of TSTRANSCO, TSSLDC, TSSPDCL, TSNPDCL and CESS. After the presentation, the Members expressed their views. The deliberations made in the meeting are minuted as under:

1. **Sri N. Sreekumar, representing Prayas (Energy Group)** stated that the out of the total proposed capital investment by the Licensees, 70-75% of the capital investment is towards meeting load growth and in light of the same, the load forecast is to be approved after stakeholder consultation and Public Hearing. He stressed on the review of the actual performance of the Licensees during the previous Control Periods in accordance with the Regulations. He stated that the demand projections of the Licensees for the 4<sup>th</sup> Control Period are higher in comparison to the actual demand during the previous years. He stated that the capital investment is to be linked with targets. He stated that with the increase in Open Access, the demand of the Distribution Licensees alone cannot be considered as demand at the State level.

He expressed concern regarding the actual failure rate of Distribution Transformers and stated that the same is higher than the norms. He also expressed concern regarding the increasing fatal human electrical accidents. He stated that the expenses claimed under Special Appropriations by the Distribution Licensees are to be analysed in terms of the measures taken for safety improvement. He stated that the Electrical Inspectorate is to be better equipped to inspect the installations effectively and reduce the incidents of

electrical accidents.

He stated that the existing mechanism of payment of land compensation for new transmission lines for affected farmers need to be improved and suggested the following:

- The prior consent of the affected farmer on the land compensation is to be obtained before commencement of work.
- The affected farmers should be provided the opportunity to contest the compensation amount as determined by the authorities.
- For ensuring fair compensation, co-ordinated efforts are required from the State Government, TSTRANSCO and the TSERC.

He stressed on the need for separate scheduling of power generated from renewable energy power plants. He stated that the operations of State Transmission Utility (STU) and State Load Despatch Centre (SLDC) are to be segregated and SLDC is to operate independently to promote competition in the power sector. He stated that the Regulations of TSERC are to be reviewed in light of the developments in the sector.

He stated that he could not analyse the submissions in detail due to shortage of time. The Hon'ble Chairman, TSERC advised Sri N. Sreekumar to submit his written comments on the filings.

2. **Sri G. Vinay Raj, representing E-Nethra Electrical Services**, submitted that proper justification is required for the variation in the approved and actual claims of the Licensees in their filings. He stated that he could not analyse the submissions in detail due to shortage of time. He requested the Distribution Licensees to do away with the requirement of physical submission of applications for new service connections. He expressed concern regarding the delay in the process if the payments for new service connections are made to the Distribution Licensees by way of Demand Drafts. He recommended a flowchart with the proposed activities for release of new service connection.

He stated that the compliance audit is to be undertaken by TSERC in accordance with its Regulations. He drew attention of the Members to the compliance audit undertaken by the Electricity Regulatory Commission of Delhi, Arunachal Pradesh, Assam, Kerala, Karnataka and Maharashtra.

He stated that the Consumer Grievance Redressal Mechanism is to be improved for improving the consumer satisfaction. He stressed on the consumer related problems

regarding the supply of electricity.

3. **Sri G. Sai Babu, representing Telangana State Electricity Employees' 1104 Union,** stated that the last recruitment of JLM was undertaken in the year 2007. He expressed concern regarding the non-availability of adequate no. of employees as per norms at section level. He stressed on the requirement of adequate no. of employees for maintaining quality of supply.

He stated that the increase in input cost to the Distribution Licensees has consequential impact of increase in tariffs and tariff increase is necessary to protect the interest of the Distribution Licensees. He stated that the required subsidy amount may be released by the State Government.

4. **Sri K. Prakash, representing Telangana Raastra Vidyut Karmika Sangam,** stated that installed generation capacity has increased from 6500 MW at the time of creation of Telangana State to the current level of 14000 MW and this was possible with the efforts of the power utilities in the State. He stated that the managements of the Distribution Licensees are citing financial difficulties in their meetings with the Unions. The tariff proposals of the Licensees may be accepted.

5. **Sri E. Sridhar, representing Telangana State Electricity Employees' Union 327,** stated that the tariff increase reduces the burden on the Distribution Licensees and is required to protect the interest of the Distribution Licensees. He expressed concern that the Distribution Licensees are availing loans for meeting the financial needs on account of electricity dues from the Government Departments. He requested TSERC to recommend advance payments by the Government Departments.

He stated that the structure of electric poles is not ergonomic and the staff are subject to physical strain due to the same, which is in turn reducing their productivity. He suggested that the latest technologies are to be adopted by the Distribution Licensees.

He expressed concern regarding the non-availability of adequate no. of employees as per norms. He stressed on the requirement of adequate no. of employees for maintaining quality of supply and requirement of new recruitments.

6. **Sri G. Nagaraj, representing Telangana Vidyut Contract Workers' Union,** stated that the contract employees have been provided with employment security and stressed on the need of financial security. He stated that the recovery of electricity dues is important for the growth of the Distribution Licensees. He expressed concern regarding the

overburdening of the existing employees. He stated that electricity loss could be reduced with adequate measures at the Substations and some pilot projects have been undertaken in this regard.

7. **Sri M. A. Vazeer, representing** Telangana State Power Employees Union, stated that the Distribution Licensees are facing financial crunch due to which the salaries are being paid by availing loans. He requested TSERC to take up this issue with the State Government. He stated that the subsidy for agricultural consumption is not being paid in full by the State Government. He stated that the increase in input cost to the Distribution Licensees has consequential impact of increase in tariffs and tariff increase is necessary to protect the interest of the Distribution Licensees. He stressed on the requirement of adequate no. of employees for maintaining quality of supply and requirement of new recruitments. He stated that the tariff for some of the categories may be increased.
8. **Sri D. Venkateswar Rao, Practicing Advocate,** stated that the charges for new service connection are being collected at Mee Seva Centres without confirming the feasibility for the same from the respective Distribution Licensee. He expressed concern regarding the issues in billing and meter reading leading to litigations. He suggested that the retired employees may be appointed as meter readers.
9. **Sri K. Sashi Bhushan, representing Kisan Keth Mazdoor Congress,** stated that the State Government should provide funds in its Budget for clearing electricity dues of the Government Departments. He expressed concern regarding the electric accidents and deaths due to fencing by some people and stated that legal cases need to be booked against such people. He stressed on the need to spread the awareness amongst electricity consumers on the use of quality equipment in their premises. He stressed on the need to spread the awareness amongst electricity consumers on the electricity consumption by various equipment used in their premises.
10. **Sri N. Venugopal, Social Service Activist,** stated that reforms are required in the electricity sector. He stressed on the need of preventive actions to avoid deaths due to electric accidents.
11. **Sri M. Sridhar Reddy, representing Bharatiya Kisan Sangh,** stated that due procedure is not followed in land acquisition for transmission lines due to lack of awareness in the field officers. He expressed concern regarding the non-payment of land compensation by TSTRANSCO and Power Grid Corporation of India Limited (PGCIL). He stated that the details of procedure followed and compensation provided may be submitted by

TSTRANSCO in the Public Hearing. He stated that the electric accidents are increasing due to poor distribution infrastructure at Low Tension (LT) level and lack of awareness in the field staff. He sought the details of safety measures actually undertaken in the past and those proposed for the future. He stated that separate expenses are to be allowed for awareness activities related to safety measures. He stressed on the need for tariff increase.

He suggested that the booklets (in English and Telugu) on the Commission's Regulations may be made available to the common public at nominal prices. He stated that the electricity dues by the Government Departments are to be cleared. He stated that although employment security is provided to the contract employees, financial security is not provided. He suggested that the side arms may be provided for LT lines which are close to residential premises.

He stated that he is in receipt of some applications for new service connections in TSNPDCL area which had been applied in the year 2014 and are yet to be released the service connections. The Hon'ble Chairman advised to file the compliant with the CMD, TSNPDCL regarding the same. CMD, TSNPDCL stated that all feasible service connections had been released. He stated that even after repeated statements during the Public Hearings, he has not received any complaints regarding the pending applications for release of new service connections.

12. **Sri M. Thimma Reddy, representing People's Monitoring Group on Electricity Regulation**, stated that he has not received the reply of TSTRANSCO on his comments/objections filed. He stated the appropriate justification has not been submitted by TSTRANSCO in its Petition regarding the claims of true-up.

He stressed on the importance of Resource Plan for the Licensees. He stated that the total contracted capacity figures for 4<sup>th</sup> Control Period are different in the Petitions of TSTRANSCO and TSSLDC. He stated that the peak demand projections for the 4<sup>th</sup> Control Period seems to be overestimated. He stated that the basis for the projections of the proposed investment plan has not been submitted by the Licensees. He stated that the transmission loss proposed by TSTRANSCO for 4<sup>th</sup> Control Period is higher than the actual transmission loss for FY 2018-19.

He stated that the electric accidents are increasing even after expending for safety measures. He sought clarification regarding the appointment of Safety Officers by the Distribution Licensees.

He stated that the prudent expenditure out of the claims of the Licensees may be allowed. He stated that he could not analyse the submissions in detail due to shortage of time. The Hon'ble Chairman, TSERC advised Sri M. Thimma Reddy to submit his written comments on the Petitions.

13. **Sri E. Srinivasa Chary, representing Energy Conservation Mission, The Institute of Engineers, Telangana State Centre,** recommended that the procurement of energy efficient equipment with 5-Star rating is to be made mandatory for the Licensees. He recommended that the schemes proposed for conductor replacement are to be taken up keeping in view the future load growth also. He stated that separate budget may be allotted for setting up of Electric Vehicle charging stations. He recommended that the Licensees may use Electric Vehicles. He stated that separate budget may be allotted for energy conservation promotion in light of the falling water table. He stated that separate budget may be allotted for installation of Roof Top Solar Photo Voltaic installations in the premises of the Distribution Licensees.

He stated that 99% of the 25-lakh agricultural pumpsets in the State are rewound and consume more energy. He stated that there is scope for reduction in electricity consumption to the tune of 30% and the savings to the tune of Rs. 2563 Crore is possible. He recommended the appointment of Energy Service Companies (ESCOs) for replacement of existing agricultural pumpsets with energy efficient pumpsets. He stated that such replacement may be undertaken on pilot basis for ascertaining the savings and field level difficulties. He stated that energy conservation benefits Distribution Licensees and separate budget may be allotted for promotion of energy efficient measures.

14. **Sri B. Rajkiran, representing Administrative Staff College of India,** stated that written comments would be submitted.
15. The Secretary, TSERC thanked all the participants for attending the meeting and also for giving their suggestions & views on the subject matter.

  
COMMISSION SECRETARY [FAC]

Copy to:

PS to Chairman, Member (T), Member (F)

All Participants

