

AM

**BEFORE THE TELANGANA STATE ELECTRICITY
REGULATORY COMMISSION**

5th Floor Singareni Bhavan, Red Hills, Hyderabad – 500 004

OP No. 6 & 7 of 2016

IN THE MATTER OF

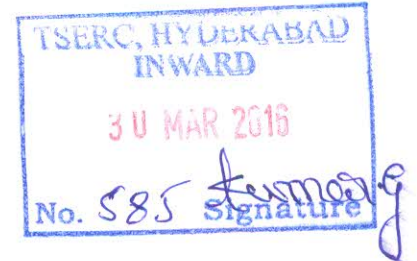
Petition requesting the Commission

1. To see that ARR and tariff proposals are filed and examined within the period as stipulated under the Electricity Act, 2003.
2. To withdraw the Commission's advisory on employee participation on regulatory proceedings.
3. To review the power requirement estimate submitted by TSDISCOMs.
4. To advise the TSDISCOMs to review their solar power initiatives.
5. To examine PPAs with TSGENCO and SCCL plants through public process.
6. To withdraw the Commission's Order dated 27-01-2016 in O.P. No. 1 of 2016 related to power procurement from TPCIL.
7. To critically review Resource Plan for the third control period submitted by TSDISCOMs.
8. To take stringent action to bring down electrical accidents.
9. To allow the objector to be heard in person before the Commission takes any decision on this application of the DISCOMs.

IN THE MATTER OF

Name and full address of the petitioner:

**Dr. Nagam Janardhana Reddy
Bachao Telangana Mission
Villa No. 23, Hill Ridge Villas
Beside I.S.B; Gachibowli
Hyderabad-500 032**



And

Name and address of the Respondents:

Chairman and Managing Director
Northern Power Distribution Company of Telangana Ltd,
Southern Power Distribution Company of Telangana Ltd,

**BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY
COMMISSION**

5th Floor Singareni Bhavan, Lakdi-ka-pool, Red Hills, Hyderabad – 500 004

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AFFIDAVIT VERIFYING THE MEMORANDUM OF OBJECTIONS

I, Dr. Nagam Janardhana Reddy, s/o late Venkata Reddy do hereby solemnly affirm and state as under:

1. I am the chief of Bachao Telangana Mission a social organization formed to safe guard and protect interest of the people of the newly formed Telangana state making this memorandum of objections.
2. The statements made in the paragraphs of the accompanying memorandum of objections now shown to me are true to my knowledge, derived from the Filing of ARR and Proposed Tariffs for FY 2016-17 of the two DISCOMs and the material gathered by PMGER and made available to me and are based on information and advice received which I believe to be true and correct.

Solemnly affirm

Deponent

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24-03-2016

Hyderabad

BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

*** 5th Floor Singareni Bhavan, Lakdi-ka-pool, Red Hills, Hyderabad – 500 004**

1.1 The following suggestions and objections on the ARR and tariff proposals of TSDISCOMs are being submitted in response to public notice dated 10-03-2016.

1.2.1 While according to Section 64 (3) the TSDISCOMs were expected to file ARR and tariff proposals for the financial year 2016-17 by 30th November 2015 they have filed these documents before TSERC only on March 8th, 2016. In the interregnum the DISCOMs filed applications before the Commission and sought extension of time for filing ARR and tariff proposals from time to time up to 8th March 2016. There is a delay of three months and eight days in submitting these proposals before TSERC.

1.2.2 The TSDISCOMs attributed delay in submission of ARR and tariff proposals in time to the Telangana State Government in principle agreeing to participate in the central government's UDAY scheme. According to their filings DISCOMs needed time for examining the impact of UDAY scheme on the retail supply ARR of FY 2016-17. But after a three months exercise they have come to the conclusion, "However, a clear picture on the reduction in losses of the licensee in FY 2015-16 by virtue of take-over of loans by GoTS once UDAY scheme details are finalized. Hence the licensee would file for the true-up for 2015-16 in the next year filing (2017-180 based on the actual audited accounts finalized after considering the takeover of loans by GoTS. The licensee prays that the Hon'ble Commission may consider the final true-ups of 2015-16 in the ARR filing for FY 2017-18" (SPDCL ARR p.vi). Nowhere else in the ARR filings impact of the above UDAY is examined. Then one naturally gets doubt whether UDAY is the real reason for delay in filing ARR and tariff proposals by TSDISCOMs in time. The real reasons for delay in submission of ARR and tariff proposals are other than that the DISCOMs have shown!

1.2.3 Incidentally, March 8, 2016 is the last date for completion of elections to municipal corporations of Warangal and Khammam and nagara panchayat of Achampet. These elections were preceded by by-elections to Warangal Loksabha seat, elections to Greater Hyderabad Municipal Corporation (GHMC) and by-election to Narayankhed Legislative Assembly seat. TSDISCOMs delayed submission of new tariff proposals in order to insulate the ruling party from adverse impact in the above elections from higher electricity tariffs. That the TSDISCOMs have submitted their ARR and tariff proposals after completion of these elections lends credence to the widely shared perception that the delay in submission is to serve political expediency of the party-in-power.

1.2.4 TSERC in its Tariff Order for the FY 2015-16 observed: “the delay in filings caused difficulties not only to objectors and consumers but also to the Commission. The Licensees shall make every effort to file ARR & Tariff Proposals 120 days before the effective date of Tariffs as per Sec.64 of the Electricity Act, 2003” (para 4.2.3). Furthermore, the Commission had directed the DISCOMs, “the Discoms are directed to submit the ARR and Tariff proposals in time i.e. by 30th November of current year in order to make the Tariff Order effective from 1st April of next year” (Directive 7.9 at page 237 of tariff order for 2015-16). The Commission by allowing the applications of DISCOMs to delay ARR and tariff proposal filings appears to have violated its own orders/directions in this regard.

1.2.5 In the past the Appellate Tribunal has given clear directions to the state ERCs to see that tariff fixation is done in a time bound manner. But the same is being ignored.

1.3.1 Through the letter Lr No. L – 30/DD (LAW)/7, Dated 09-02-2016 the TSERC had advised the managements of all Power Utilities in the State of Telangana to issue necessary instructions to their employees that without prior approval no employee shall appear or enter into any correspondence relating to the Utilities business and represent before the Commission in any matter relating to their business, otherwise they will be violating A.P. Civil Services (Conduct) Rules, 1964.” It will not be an exaggeration to say that the above advisory is shocking. We fail to understand what propelled the Commission to issue such an advisory.

1.3.2 We would like to state that service conditions and conduct of employees are outside the regulatory powers and functions of the Commission. The commission does not have jurisdiction over service conditions and conduct of employees. As such the above advisory issued by TSERC with reference to A.P. Civil Services (Conduct) Rules, 1964 is not tenable and goes against the powers and functions of the Commission. The same shall be withdrawn.

1.3.3 Since the initiation of regulatory process in the power sector in the undivided Andhra Pradesh under The Andhra Pradesh Electricity Reform Act, 1998 many associations of employees working in all the power utilities participated in the proceedings before the APERC on various issues. Scores of employees of the power utilities individually also participated in the proceedings before the predecessor Commission. In the past the predecessor Commission - Andhra Pradesh Electricity Regulatory Commission (APERC) – in one of its Tariff Orders had explicitly stated that it had not prohibited the employees of the utilities to participate in the proceedings before the Commission. For the last one and half decades utility employees participated in regulatory proceedings. In other words, it has become a set practice for the employees of the utilities to participate in the regulatory proceedings. As participation of utility employees before the proceedings of the Commission has become an established practice the above advisory of TSERC goes against the healthy trend, and such a step cannot be welcomed.

1.3.4 Given the techno-economic complexities involved in understanding power sector assistance of competent and well informed people is very important. In this regard,

participation of utilities' employees will help to demystify these complexities. Utility employees' participation in regulatory proceedings leads to transparency and accountability which is very important for economical, efficient and effective governance of the sector. Participation of utility employees in the regulatory process in the past on issues related to PPAs, gas availability to gas based power plants, supply of power to agriculture and pricing of renewable energy vastly improved the proceedings. Various orders of the predecessor Commission - APERC - will vouch for that.

1.3.5 Utilities are not for utilities' sake. They are meant to deliver services to the consumers. The regulations/orders/proceedings issued by the Commission shall lead to improving the delivery of services to the electricity consumers in the state. The Preamble to the Electricity Act, 2003 says that the Act is meant to protect interest of consumers. The above advisory of the Commission by obstructing the participation of employees in the proceedings before the Commission impacts transparency adversely and as such interests of consumers will also be impacted adversely. In the interests of electricity consumers in the state the above advisory shall be withdrawn.

1.3.6 In this context it is also to be remembered that utility employees are also electricity consumers in the state and they will also be impacted by the Orders of the Commission. As an impacted party they shall also have an opportunity to represent before the Commission in writing or in person. The above advisory of the Commission denies the utility employees such an opportunity.

1.3.7 Any restriction on participation before the regulatory proceedings leads to suspicion on such exercise. The outcomes of regulatory proceedings shall capture collective wisdom. The above advisory of the TSERC leads to suspicion on proceedings before the Commission and prohibition of utility employees, important stakeholders, from participation in regulatory process comes in the way of realising collective wisdom of all stakeholders.

1.3.8 The present trend in good governance is to protect the whistle blowers, the employees of utilities who come out/ reveal wrongdoings in their organisations in public interest. The above advisory of TSERC instead of taking steps to facilitate such practices goes against it. This advisory instead of helping to unravel the unhealthy practices it helps to cover up such things.

1.3.9 The participation of utility employees in the regulatory proceedings assists the Commission to fathom different aspects of the power sector. Such participation should have been welcomed and even encouraged. Instead the Commission has virtually put a full stop to such intervention. Because of the above advisory the Commission will be deprived of important inputs in its decision making. It is tantamount to cutting the tree branch on which one is sitting.

1.3.10 Given the adverse implications of the above advisory as explained in the above paragraphs we request the Commission to withdraw it immediately.

1.4 The above two instances , we are apprehensive, show that instead of ERC regulating the sector it is being regulated by two powerful stakeholders state govt and licensees to the detriment of the interests of the electricity consumers in the state.

Summary of the proposal:

Particulars	NPDCL	SPDCL	Total
Power requirement (MU)	15,592	39,292	54,884
ARR (Rs. Cr)	8,830.33	21,376.86	30,207.19
Revenue at current tariff (Rs. Cr)	4,210.05	17,208.16	21,418.21
Income from proposed tariff (Rs. Cr)	384.75	1,573.35	1,958.10
Subsidy expected (Rs. Cr)	4,235.54	2,595.35	6,830.89

2.1 According to ARR and tariff proposals submitted by the two DISCOMs in Telangana 54,884 MU of power need to be procured to meet electricity needs of various electricity consumers in the state during the financial year 2016-17. Transmission, distribution and supply of this power will require annual revenue of Rs. 30, 207.19 crore. Through the current tariffs DISCOMs will be able to mobilise Rs. 21,418.21 crore. They propose to mobilise Rs. 1,958.10 crore through a tariff hike of about 10% on select consumers. They expect to receive the remaining Rs. 6,830.89 crore in the form of subsidy from the state government.

Power requirement estimate

3.1 Both DISCOMs in Telangana projected high growth rates in electricity consumption during the ensuing financial year 2016-17. SPDCL attributed this growth to additional power required for water grid, Hyderabad Metro Rail, 9 hour power supply to agriculture pumpsets and new lift irrigation schemes. Similarly, NPDCL also attributed this growth to additional power required for water grid, 9 hour power supply to agriculture pumpsets and new lift irrigation schemes. While SPDCL estimated growth rate of more than 10% NPDCL arrived at 13.5% growth rate in electricity consumption under its area. Further, NPDCL also estimated 32.58% growth rate in electricity consumption by HT services. During the preceding year (2015-16) growth in consumption is less than 50% of this. In the case of NPDCL it was only 5.16%. This historical experience demands a relook at the consumption growth estimated by both the DISCOMs.

Agriculture

3.2.1 Both the DISCOMs in the state mentioned 9 hour power supply to agriculture as one of the important reasons for higher electricity consumption in the coming year. But the filings show that they have adopted only 3.66% growth in electricity consumption by agricultural pumpsets. In the case of NPDCL agriculture consumption is expected to increase from

4,371.34 MU during 2015-16 to 4,904.75 MU during 2016-17. In the case of SPDCL during the same period agriculture consumption is expected to increase from 6,931.23 MU to 7,185.25 MU. Even this growth rate they attributed to release of new agriculture services. An increase in power supply from 7 hours to 9 hours would have led to substantially higher electricity consumption. According to them they adopted lower growth rate to decreased water levels in the bore wells because of poor rainfall during the current year. At another place they have shown depletion of water tables as the reason for higher power consumption in agriculture sector (P. 24 SPDCL ARR). Even adoption of lower growth rate raises doubts about DISCOMs' estimate of agriculture consumption.

3.2.2 DISCOMs were expected to follow ISI recommended sampling methodology to estimate power consumption in agriculture. SPDCL in its reply to Directive No 7.8 mentioned that its was following the said methodology. NPDCL claimed that it was following ISI methodology in estimating agriculture consumption (p.49). But the filings for the ensuing year do not show any evidence that the said methodology is used.

Energy efficiency:

3.3.1 Both the DISCOMs in Telangana have launched several energy efficiency initiatives. For example, SPDCL ARR mentions some measures taken like 5 star transformers, 11 lakh CFLs, HVDS for 13915 pumpstes and capacitors for 2700 pumpsets. Added to this the Telangana State government has entered in to an agreement with the central government to implement Power for All programme. This includes energy conservation and energy efficiency interventions. This programme targets to replace 19.4 lakh pumpsets with star rated energy efficient pumpsets. About 20,000 pumpsets are expected to be replaced in 2016 and will be completed by 2021. Under DELP segment all households in the state will be provided two LED bulbs. Implementation will start this year with coverage of 20 lakh households. All households will be covered by 2019. Energy savings from these schemes shall be taken in to account while arriving at the total quantum of power needed in the state.

3.3.2 These energy efficiency initiatives will impact expenditure and revenues of the DISCOMs. All information related to these programmes shall be shared with the public. These shall be cleared by the Commission after holding public hearings as being done in the neighbouring state of Andhra Pradesh.

Re-examine solar initiatives

3.4.1 According to the resource plan for the third control period 2,916 MW capacity solar power plants will be set up in Telangana. Going by the New Tariff Policy that 8% of the power has to be sourced from solar energy Telangana needs to have solar power capacity of 4457 MW by 2022. According to the PFA document Telangana will have 6135 MW solar power generation capacity by 2019. While adding such large capacity one thing that needs to be noted is that solar power is land or space intensive. While conventional coal based thermal plants need one to 1.5 acre land per MW solar power plants need five to seven acres per MW. The current MW based solar power plants cannot be sustained. As the land acquisition has become a problematic issue it is imperative to search for alternatives to promote solar power.

3.4.2 Rooftop solar power plants should have been promoted on a large scale among domestic, commercial and industrial electricity consumers given the decentralised nature of solar power. In developed countries like Germany more than 80% of the solar power capacity comes from rooftop plants. But in India the presence of rooftop solar plants is very limited. Until now there is stress on MW capacity plants. As if to amend it the new national solar policy targeted that 40,000 MW out of 1 lakh MW solar capacity addition will be from rooftop plants. But implementation part is not inspiring. Same is the case with Telangana also. According to SPDCL filing it received about 117.38 MW solar roof top net metering applications, out of which 7 MW were already connected to the grid. This programme is under implementation for more than three years. The gap between the number of applications and those that are already connected shows that there are problems that need to be addressed expeditiously. Also, among the 7 MW capacity plants that are connected to the grid a large number of them are not functioning properly because of connectivity issues. The state government as well as the utilities needs to address bottlenecks to the spread of rooftop solar plants immediately.

3.4.3 Agriculture sector consumes about 20% of power supplied in the state. This sector has huge potential to tap solar power. Under present system agriculture sector receives 6 hour power supply in two spells and one of the spells is during night time, and this is posing problems to farmers. Utilisation of solar power for energising agriculture pumpsets will help to address this issue. Solar power is available during day time when farmers need it more. News reports indicate that the state renewable energy promotion agency plans to install 1,000 solar pumpsets in the state during this year.

3.4.4 Under this solar pumpset programme panels will be set up at individual farmer's well to energise pumpset. This programme has serious limitations. One of the important limitations is that as farmers use solar power for about 200 days only out of more than 300 sunny days available and as a result nearly one third of the capacity of the plant will be wasted. Also, given the high cost of solar pumpsets – 11% contribution from farmers will be about Rs. 50,000 – many farmers will find it difficult to participate in it. As an alternative we propose solar plants at feeders meeting agriculture loads. 0.5 MW to 2 MW solar plants may be set up depending on connected load on the feeders. Excess power generated from these plants after meeting agricultural loads can be fed in to the grid. This additional income will bring down financial burden of this programme. As the present subsidy covers 89% of the present cost the same can be used to set up feeder level solar plants. What is more this plant will remain as an asset of DISCOMs during its life of 25 years. Already Maharashtra state government initiated action under such programme. It would be better if TSDSCOMs explore this alternative. It would benefit both farmers and DISCOMs.

3.4.5 The above two alternatives – rooftop solar power plants and feeder level solar plants for agriculture pumpsets – help to address the crucial issue of land availability and also help to tap solar power optimally.

T&D losses

3.5.1 T&D loss levels in both the DISCOMs continue to be high. They are higher than the level approved by the Commission. For the year 2015-16 in the case of SPDCL while the

Commission approved T&D losses of 10.57% the DISCOM achieved 10.81%. in the case of NPDCL while the Commission approved T&D losses of 11.13% the DISCOM achieved 11.33%. Higher T&D losses lead to higher quantum of power procurement and also higher tariff burden on the consumers and higher subsidy support burden on the state government. As substantial amounts are being spent on T&D infrastructure and also O&M including salaries these should reflect in lower T&D losses.

3.5.2 While NPDCL provided circle wise T&D losses SPDCL provided only DISCOM level T&D losses. We request the Commission to direct SPDCL to provide circle wise T&D losses.

Power purchase cost

4.1 Though the power utilities in both the states – Telangana and AP – are sharing power generated in thermal power plants on the lines specified in the reorganisation Act they are not sharing the power generated in the hydel power stations. Power generated from the hydel stations is being used within the states where these plants are located. But this years ARR showed that TSDISCOMs will be sharing the power generated at the hydel power stations also. (p.32-3, 39 of SPDCL ARR). This needs to be clarified.

4.2 Though new plants of TSGECO started operation quite some time back their PPAs are not yet approved by the Commission. It is not clear on what basis power purchase cost for these plants is decided. In the past CAG raised doubts on the cost incurred in erecting these plants. In its Report for the year 2010 CAG examined Kakatiya – I plant and found excess spending was Rs. 555.48 Crore (26.74%). CAG Report for the year ending March 2014 found that selection of costlier pipes for raw water pipeline of KTPP Stage-II resulted in avoidable excess cost of ` 43.30 crore. We request the Commission to hold public hearings on PPAs with the new power plants of TSGENCO.

4.3 According to DISCOMs filings two 600 MW power plants of SCCL will start generating power from June-July 2016. It was mentioned that a new PPA was signed between SCCL and TSDISCOMs on 18th January 2016. We request the Commission to hold public hearing on this PPA.

4.4.1 We request the Commission to withdraw the Commission's order dated 27.1.2016 in O.P.No.01 of 2016, adopting a tariff of Rs.4.15 per kWh for procurement of power from Thermal Powertech Corporation India Limited (TPCIL) for a contracted capacity of 570 MW for a period of 8 years by TSSPDCL and TSNPDCL by holding public hearing on the same, as also on the power purchase agreement signed between TPCIL and the two Discoms

4.4.2 The procedure adopted by the lead procurer on behalf of TS Discoms, i.e., TSSPDCL, for procuring 570 MW from TPCIL for a period of eight years and the submissions made in support of the same and the regulatory process adopted, arguments put forth and consent given by the Hon'ble Commission in support of the same have been found wanting in

observing and ensuring transparency, accountability, public participation in its regulatory process and above all in protecting larger consumer interest for various reasons.

4.4.3 The four Discoms in the undivided Andhra Pradesh had entered into a PPA with TPCIL, which was selected after following due process of competitive bidding, for purchasing 500 MW on long-term basis and got the consent of APERC to the same. The tariff determined for purchasing power from TPCIL is Rs.3.58 per kwh, which includes a fixed cost of Rs.1.82 per kwh (page 109 of tariff order of APERC for the year 2015-16). The claims of the TS Discoms and the Commission that the price of Rs.4.15 per kwh agreed to after “negotiations,” which includes a fixed cost of Rs.2.64 per kwh, is “lower and competitive” and “fair and reasonable” goes contrary to facts and are untenable. The TS Discoms will be purchasing 570 MW from a plant of the same project of TPCIL paying a fixed cost which is higher by Rs.0.82 per kWh compared to the fixed cost they and AP Discoms are paying for purchasing power from a plant of the same project under the existing PPA. In other words, for purchasing 4244 mu per annum generated with a PLF of 85% of 570 MW, the TS Discoms will be paying Rs.348 crores additionally per annum and Rs.2784 crore additionally during the period of eight years of the PPA! This is tantamount to imposing avoidable and additional burden of Rs.2784 crore on consumers during the period of eight years of the PPA.

4.4.4 Contrary to the claim of the Commission that it had noticed that there was a “great urgency” in procuring power in the larger public interest, the questionable bidding process, “under the short notice tender” adopted by the Discoms and permitted by the Commission, went on for more than seven months from the date of notice (14.5.2015) to the date of Commission’s order (27.1.2016). The grounds for “great urgency” noticed by the Commission for purchasing 570 MW from TPCIL, which turned out to be the sole bidder, as explained in its order (at para 16), are in the form of generalities, without any concrete plan of load forecast submitted by the Discoms and examined by the Commission and without holding any public hearing. Purchasing power from any developer, in any manner and at any cost, all in the name of “greater urgency” for procuring power, is undesirable and goes against the spirit and letter of Electricity Act, 2003, national electricity policy and national tariff policy and regulatory functions of the Commission, i.e., ensuring “competitive rates” and “safeguarding of consumers’ interest.”

4.4.5 “Greater urgency” for procurement of power applies to immediate or short-term requirement and not for medium- or long-term requirement. For meeting such “greater urgency,” the option of short-term procurement is always open to the Discoms.

4.4.6 From the outcome of the bidding process adopted by the Discoms and approved by the Commission, it is evident that the deviations from DBFOO and RFQ are framed and adopted in such a manner to eliminate competition virtually and ensure emergence of TPCIL as the sole bidder. In the name of “greater urgency,” the competitive bidding was confined to “the existing plants located in the Southern Region” initially and later through the deviations adopted, four other bidders were eliminated at the RFQ stage and TPCIL alone was allowed to submit the RFQ document. The position of existing plants in the Southern Region and their

stages of implementation can be known well in advance from the documents available and updated periodically in the web site of the Central Electricity Authority and other sources. As such, keeping the same in view, it is not difficult to manipulate terms and conditions of bidding by adopting “deviations” to ensure that only one project emerges as the sole bidder to whom the powers-that-be want to do undue favour for extraneous considerations with prior confabulations or collusion. Though the Discoms got approval of the Commission for procurement of 1000 MW, their deviations in the bidding process resulted in confining to 570 MW only, thereby ignoring the “greater urgency” for procuring another 430 MW on long-term basis.

4.4.7 As there are serious doubts and misgivings in the selection of the generator and approval of PPA with that generator we request the Commission to withdraw the above order.

4.5 TSDISCOMs will be purchasing power from new gas based power plants under a special scheme of the central government. In the mean time RLNG, fuel used under this special scheme, price nearly halved to about \$ 6 per MBTU. We request that new power purchase from these plants shall be at this lower RLNG price.

Surplus Power!

4.6.1 In the projections of power purchase cost for the year 2016-17, in their ARR filings, the Discoms have shown “cost due to backing down of long term sources” of 6926 mu as Rs.692.61 crore. We request the Commission to direct the Discoms to provide me details of which long-term sources are proposed to be directed to back down during 2016-17 and give the reasons for the same. Also, the Discoms have to clarify whether such backing down has taken place during 2015-16 and if so give details thereof and reasons for the same.

4.6.2 The Discoms have projected an additional revenue of Rs.724 crore due to sale of power of 1448 mu during 2016-17. At the same time, they have proposed to purchase 521 mu from the market at a cost of Rs.272 crore. When a quantum of 6926 mu is going to be backed down, and when the average cost of sale of surplus power is slightly more than the average cost of purchases from the market, where is the need for purchasing high cost power from different sources, whether short-term or long-term?

4.6.3 DISCOMs’ filings show surplus of 2338 MU during the year 2016-17. Why generate surplus? As power purchase constitutes 80% cost of power supplied to the consumers in the state better forecasting and power purchase planning needed to avoid these costs.

Resource plan

5.1 As a part of ARR for FY 2016-17 TSDISCOMs also included Resource Plan for the third control period. But the information provided under it is not complete and comprehensive. They provided a list of power plants which will come in to operation during this control period. It did not provide date of commencement of supply/CoD of the new

proposed plants. Without this information it will not be possible to compare the power requirement with power capacity addition plan.

5.2 According to earlier statements of TS government 24,075 MW new capacity addition will be achieved by 2018. But according to the Resource Plan the capacity addition will be only 14,708 MW.

Generation Units	Capacity (MW)
Genco	4,080
CGS	4,673
Long Term Contracts	3,039
NCE	2,916
Total	14,708

The difference between the two plans is 9,367 MW. Which of the earlier proposed plants are being left out? and what are the relative merits of the plants that are included in the present list.

Difference between requirement and availability:

Particulars	2015-16	2016-17	2017-18	2018-19
SPDCL Requirement (MU)	36,009	39,292	43,365	48,252
NPDCL Requirement (MU)	13,723	15,418	20,934	28,526
Total Requirement (MU)	49,732	54,710	64,299	76,778
Availability (MU)	53,686	64,669	65,214	80,459

5.3 From the above table it is clear that power available after the proposed capacity addition under the Resource Plan is always higher than total power requirement in Telangana. This demands a re-examination of the proposed capacity addition. Otherwise it will lead to higher power purchase cost burden on the consumers in the state.

5.4 According to the Resource Plan Genco plants will be contributing 17,730 MU during 2015-16. But according to net energy availability during 2015-16 as mentioned in ARR (SPDCL, p.38) 21,449.61 MU will be available during 2015-16. This shows that the Resource Plan is underestimating power availability from Genco units by 3,716.61 MU.

5.5 Power availability in Telangana will be increasing from 45,045 MU in 2014-15 to 80,459 MU in 2018-19 registering an increase of 78.62% in power availability. During the same period power generation capacity available will be increasing (going by the Resource Plan) from 8,290 MW to 22,998 MW registering an increase of 177.42% in generation capacity. This shows that increase in power generation capacity is several times higher than actual power available to the Telangana state. This calls in to question the above power generation capacity addition as mentioned in the Resource Plan.

5.6 According to the Resource Plan by the end of the third control period 11,792 MW thermal power generation capacity will be added. This will help to generate 40,603 MU of power in 2018-19. This implies one MW plant will generate 3.44 MU of power. In 2015-16 GENCO's 3,344 MW capacity plants generated 21,449 MU implying generation of 6.41 MU per one MW. This shows that new plants being set up will be operating at 50% of the capacity utilisation achieved by GENCO plants. This also implies that just half of the proposed capacity addition will be enough to generate the required power. This additional power generation capacity operating at lower capacity utilisation factor will imply heavy fixed cost burden on the consumers.

5.7 The issue listed in the above paragraphs demand a critical re-examination of the Resource Plan submitted by TSDISCOMs.

Electrical accidents

DISCOM	2014-15				2015-16 (Up to September '15)			
	Human		Animal		Human		Animal	
	No. of fatal accidents	Ex-gratia paid	No. of fatal accidents	Ex-gratia paid	No. of fatal accidents	Ex-gratia paid	No. of fatal accidents	Ex-gratia paid
NPDCL	147	97	233	211	96	57	117	114
SPDCL	307	111	67	67	150	143	135	135
Total	454	208	300	278	246	200	252	249

6.1 Under SPDCL area more than 85% of the fatal human accidents have taken place in Mahabubnagar, Medak and Nalgonda circles. Similarly, under NPDCL area more than 50% of these accidents have taken place in Warangal and Karimnagar circles. These circles have large number of agricultural services. It is the agricultural consumers at the receiving end.

6.2 Despite heartrending accounts by farmers' representatives during the public hearings and the Commission's directives as well as allocation of funds through tariff orders DISCOMs appear to have not moved. In the Tariff Order for the present year the Commission noted, "The Commission has been directing the Discoms to take all preventive measures to avoid accidents. In cases of accidents after such measures they are required to pay compensation promptly after verification of individual cases. Despite directions of the Commission, the sad part is that the numbers of accidents are increasing. The Discoms must initiate steps on a war footing basis to reduce the accidents and loss of human life. Provision of Rs. 200 Crore for each Discom has been made under Special appropriation for safety measures in the Tariff Order for 3rd Control period". (P125)

6.3 DISCOMs are claiming that they are taking all steps to prevent recurrence of such incidents. But they keep taking place. For example, SPDCL in response to directives 7.11 and 7.12 claimed that the damaged conductors are being replaced regularly and that the staff are attending to replacement of fuses in agriculture DTRs (p.16). This is far from truth. It is also

worth noting that nearly 40% of the fatal accidents are taking place due to snapped conductors. Visits to villages show that the DTRs serving agriculture do not have fuse boxes or AB switches. There DTR is just a box. If there is a case of conductor snapping the service provided by DISCOM is to give Line Clearance (LC) so that the problem can be attended to. It is not easy to get LC and even a small problem in rural areas need LC to be solved. Again it is the farmers who will repair the snapped conductor but not the DISCOM staff. As there is delay in obtaining LC unsuspecting farmers step on the fallen live conductors and get electrocuted. It will not be exaggeration to say that more than 90% of DTRs serving agriculture are not technically sound.

6.4 During the public hearing on tariff proposals for the year 2015-16 CMD of SPDCL assured to conduct a study on these electrical accidents. In case the study is over we request the Commission to direct SPDCL to share the report with the public.

Arrears

7.1 While SPDCL has provided category-wise arrears, NPDCL has provided circle-wise arrears. We request the Commission to direct NPDCL to provide us details of category-wise arrears.

7.2 SPDCL filings show that as on 30-09-2015 outstanding arrears stand at Rs. 1703.79 crore. More than 50% of these arrears have to come from government departments – Street lighting & PWS schemes (Rs. 830.07 crore) and Irrigation & CPWS (Rs. 165.41 crore) HT industry consumers have to clear arrears of Rs. 524.22 crore. We would like to know the steps taken by the Licensee to collect these arrears. In the past DISCOMs used to place the list of consumers with arrears more than Rs. 50, 000 on its website. We request the Commission to direct the DISCOMs to restore the practice.

Prayer to the Commission

1. To see that ARR and tariff proposals are filed and examined within the period as stipulated under the Electricity Act, 2003.
2. To withdraw the Commission's advisory on employee participation on regulatory proceedings.
3. To review the power requirement estimate submitted by TSDISCOMs.
4. To advise the TSDISCOMs to review their solar power initiatives.
5. To examine PPAs with TSGENCO and SCCL plants through public process.
6. To withdraw the Commission's Order dated 27-01-2016 in O.P. No. 1 of 2016 related to power procurement from TPCIL.
7. To critically review Resource Plan for the third control period submitted by TSDISCOMs.
8. To take stringent action to bring down electrical accidents.
9. To allow the objector to be heard in person before the Commission takes any decision on this application of the DISCOMs.

