

For perusal
 Secretary
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 Chairman
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To, The Secretary, T.S. Electricity Regulatory Commission, 5 th Floor, Singareni Bhavan, Red Hills, Lakdi ka pool, Hyderabad – 500 008	From, M. Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, 139, Kakatiyanagar, Hyderabad – 500 008
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Date: 21-01-2017

Dear Sir;

Sub:- Comments on TSTRANSCO's filing for determination of ARR and tariff for transmission business for the period of 2017-18 to 2018-19

Ref:- Public Notice dated 27-12-2016 with respect to O.P. No. 24 of 2016

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1. It is heartening to note that the transmission network availability has been maintained at 99.9%. At the same time it has to be examined whether this can be achieved at lesser cost and bring down tariff burden on electricity consumers in the state. While peak power demand in Telangana state is below 9,000 MW transmission capacity created is more than 14,000 MW.

2. TSTRANSCO listed KTPS VII (800 MW) and Bhadradri Thermal Power Plant (270MW) under anticipated capacity addition during 2017-18. But these power plants do not figure in TSDISCOMs' list of power plants from which they are planning to procure power during 2017-18. Any investment on evacuation of power from these plants appears premature and will entail additional expenditure without commensurate availability of power. Similarly, while TSTRANSCO projects capacity addition of 2,513.60 MW under non-conventional energy sources TSDISCOMs account for 1,584 MW during 2017-18. As TSDISCOMs estimates are nearer to ground reality the same shall be taken in to account, instead of TSTRANSCO's estimates, to approve new and additional capital expenditure during the coming period.

3. TSTRANSCO lists 11 lift irrigation schemes (LIS) at 400 KV level and 4 LIS at 220 KV level as coming up during 2016-17 and 2017-18. But these plants do not figure in TSDISCOMs' estimation of power requirement by LIS during the ensuing year. Some of the LIS units may not come up at all. Power transmission lines meant for these LIS must be taken up based on ground situation. Otherwise expenditure on these transmission lines and substations will become dead investment, burdening electricity consumers in the state. More than 50% of the capital investment during 2017-18 is planned to be spent on LIS related transmission works. This magnitude of investment on LIS related transmission works demands critical scrutiny.

4. TSTRANSCO's ARR and tariff filing lists a large number of substations at different voltage levels as coming up in different parts of the state. The Commission has to assess whether this many new substations are needed to evacuate and transmit power during the remaining part of the 3rd control period.

MEMBER (F) PESH
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CHAIRMAN PESH
 No : 73
 DATE : 23/1/17

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5. While TSTRANSCO estimated the transmission capacity during 2017-18 at 14,376 MW TSDISCOMs estimated the transmission capacity at 14, 012 MW during this period. Difference in estimates between the two agencies need to be taken in to account.

6. In the background of the above issues the capital expenditure along with related expenditures like return on equity, interest burden and depreciation claimed by TSTRANSCO need to be reviewed. The expenditures quoted by TSTRANSCO are not necessary and allowing TSTRANSCO proposals as it is will unnecessarily burden electricity consumers in the state.

7. Non-transparent erection of substations, high voltage transmission towers and drawing of high voltage transmission lines is leading to consternation among farmers from whom huge chunks of land is being acquired for these installations. Farmers are not being compensated adequately, as allowed under the existing rules and regulations. Farmers are being made to run from pillar to post to claim their legitimate compensation. The central government rules have empowered the Commission to see that farmers get adequate compensation with in time. The Commission is requested to see that farmers are not harassed and that they get their compensation at the earliest.

8. We request the Commission to take our above submissions on record and allow us to be heard before the Commission takes a decision on the application of TSTRANSCO

Thanking you.

Sincerely yours,



M. Thimma Reddy