



FEDERATION OF TELANGANA SMALL (MSME) INDUSTRIES ASSOCIATIONS

(Regd. No. 5735 of 1998)

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An ISO 9001: 2008 Certified Organization

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FETSIA/TSERC/ARR/2015/ 1105

Date:7-3-2015

To

The Secretary
TSERC
Plot No.11-4-660, 5th Floor
Singareni Bhavan, Red Hills
Hyderabad - 500 004

Dear Sir,

Sub: Suggestions and objection on the tariff proposals of the DISCOMs submitted to TSERC - Regarding.

FETSIA which is an Apex body of 34 Industrial Associations in the state and one of the recognized body of the state and Central Government, representing the manufacturing units of small scale industry of the state. We have certain reservations and objections on the tariff proposals submitted by DISCOMs for the year 2015-2016. The newly formed small state of Telangana with 10 districts has inherited with surplus revenue and tremendous advantage of infrastructure facilities. In view of the prevailing situation we submit the following to the Hon'ble Commission for consideration.

1. The small scale industry suffered heavily in the state since last 4 years due to power storage in the combined state of A.P. and continuous political unrest with bundhs and agitations. The industry lost the business and orders and many industries became NPA and under the verge at closure. In the year 2012 to 2014 itself the tariff was revised three times and collected arrears of FSA of the previous 5 years. As a result the industry is subjected to heavy burden of tariff without any quality power and worked only 20 days in a month.

TSERC, HYDERABAD INWARD 7 MAR 2015 No. 523 Signature

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- 2. In view of this we request the Hon'ble Commission not to allow increase in the power tariff to micro and Small Industries in the state.**
- 3. It is more advisable to reduce the tariff to industry to support and for promotion of industry in the newly formed state. By this way the state can attract the outsiders to set up industry in the state which will help to promote the employment generation and revenue to the state.**
- 4. FETSIA request the Hon'ble Commission to suggest to DISCOMs to allocate 10% of the power generated in the state to industry. The industry in the state is situated in 24 industrial parks in and around Hyderabad needs only 500 to 600 M.W only.**
- 5. The Industry needs quality power without any power holiday to recuip the past losses and growth which helps to give more direct and indirect employment in the state.**
- 6. Since all the industrial parks around Hyderabad has exclusive substations and dedicated feeders we request not to impose the peak hour cuts and penalties to save the continuous processed industries to avoid losses and maintain the idle labour which leads to layoffs. The small scale industry mainly run by a single person and has to struggle to manage the entire process cannot afford to pay the penalties.**
- 7. The late fee collection on the bills should be charged to the actual number of days and not to the entire month which we have been pleading since last.**
- 8. The ACD amount collected every year should be dispensed with since the inical deposits are with department. If it is at all not possible the industry should be allowed to pay in the form bank guarantee or 50% cash and 50% bank guarantee.**

9. The peak hour penalties in the state was waived by Hon'ble Chief Minister in his meeting with the industry on 22nd August 2014 and he openly declared on the dias that the balance of the penal amounting to 60 cr will be paid to DISCOMS by the Government. Hence the DISCOMs should approach the Government for this amount and not to ask the industry and not to cut the power to realize this amount. The Hon'ble CM's promise should be respected and DISCOM's should correspond with the Government.
10. The LT III B category which was there earlier for promotion of small scale industry should be restored and the specification of previous 150 H.P should be increased to 200 H.P. This will enable the industry to avoid excess huge initial cost of structural expenditure and avoid the abnormal fixed charges.
11. The procedure of (CE11g) central Electricity inspectorate general should be dispensed with while connecting the additional load to the industry since A.E's , ADEs and DEs who are sanctioning the load can inspect the unit while connecting the additional load. By this way the DISCOM's can save the time and avoid delays in operation.
12. We request for a separate DISCOM for industry to overcome all the above problems of industry and for the promotion of industry in the state.

Thanking you,

Yours faithfully,
For FETSIA



J.Nageswara Rao
President

BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY
COMMISSION AT ITS OFFICE AT DOOR NO.11-4-660, 5TH FLOOR, SINGARENI
BHAVAN, REDHILLS, HYDERABAD - 500 004.

File No:
Case No: O.P.No.76/2015

IN THE MATTER OF:

Filing of AGGREGATE REVENUE REQUIREMENT
(ARR) AND FILING FOR PROPOSED TARIFF FOR THE
RETAIL SUPPLY BUSINESS FOR THE F.Y.2015-16 by
Southern Power Distribution Company of
Telangana Limited (TSSPDCL)

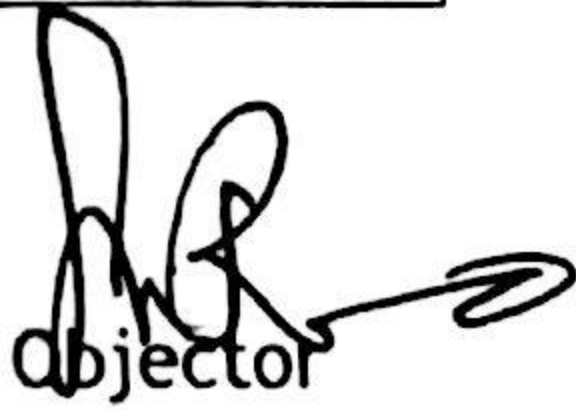
Southern Power Distribution Company of Telangana
Limited represented by Its Chairman and Managing Director,
Having its corporate office at Door No. 6-1-50,
MINT COMPOUND, HYDERABAD - 500 063.

.... Applicant

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Date:- 07-03-2015


Objector
PRESIDENT
Federation of Telangana
Small (MSME) Industries Associations
Industrial Estate, Sanathnagar, Hyd.

BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION AT ITS OFFICE AT DOOR NO.11-4-660, 5TH FLOOR, SINGARENI BHAVAN, REDHILLS, HYDERABAD - 500 004.

File No:

Case No: O.P.No.76/2015

IN THE MATTER OF:


Filing of AGGREGATE REVENUE REQUIREMENT (ARR) AND FLING FOR PROPOSED TARIFF FOR THE RETAIL SUPPLY BUSINESS FOR THE F.Y.2015-16 by Southern Power Distribution Company of Telangana Limited (TSSPDCL)

Southern Power Distribution Company of Telangana Limited represented by Its Chairman and Managing Director, Having its corporate office at Door No. 6-1-50, MINT COMPOUND, HYDERABAD - 500 063.

.... Applicant

Name & Full Address of the Objector	Brief Details of Objection/s & Suggestion/s	Objections against Tariff Proposals of TSSPDCL	Whether Copy of Objection & Proof of Delivery at Licensee's Office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
	Proposed increase in the Demand Charges, TOD charges and customer charges are not scientific, contrary to the public interest in the already existing adverse industrial environment, arbitrary as such, the increase will have cascading effect on the consumers.	YES	YES	YES

Date: - 7-03-2015


 Objector
 PRESIDENT
 Federation of Telangana
 Small (MSME) Industries Associations
 Industrial Estate, Sanathnagar, Hyd.

BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION AT ITS OFFICE AT DOOR NO.11-4-660, 5TH FLOOR, SINGARENI BHAVAN, REDHILLS, HYDERABAD - 500 004.

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Southern Power Distribution Company of Telangana Limited represented by Its Chairman and Managing Director, Having its corporate office at Door No. 6-1-50, MINT COMPOUND, HYDERABAD - 500 063.

.... Applicant

STATEMENT OF OBJECTIONS TO THE AGGREGATE REVENUE REQUIREMENT (ARR) AND FLING FOR PROPOSED TARIFF FOR THE RETAIL SUPPLY BUSINESS FOR THE F.Y.2015-16 by Southern Power Distribution Company of Telangana Limited (TSSPDCL) VIDE O.P.NO.76 OF 2015.

It is respectfully submitted as under:

1. At the outset, we submit that the proposals submitted by the Southern Power Distribution Company of Telangana Limited (for brevity TSSPDCL/"DISCOM") for determination of AGGREGATE REVENUE REQUIREMENT (ARR) AND FLING FOR PROPOSED TARIFF FOR THE RETAIL SUPPLY BUSINESS FOR THE F.Y.2015-16 with the of Telangana State Electricity Regulator Commission (for brevity "Commission") are not strictly in accordance with the rules and regulations framed from time to time and the provisions of The Indian Electricity Act,2003 and The Electricity Rules,2005 and

tariff, industry generally will suffer and the units will face closure threat. Further increase of tariff by 1/- for TOD would be unjust to the industry and quite apart, it is discriminatory. It is therefore just and necessary that the learned commission may be pleased to examine the above issue and delete the TOD charges.

5. It is respectfully submitted that as per the proposal of the TSSPDCL, the aggregate revenue requirement for F.Y.2015-16 was stated to be Rs. 18,874.82 crores. TSSPDCL proposes to introduce tariff rationalisation across all categories and increase in tariffs as mentioned below:

HT-I - Industrial

The licensee would like to propose an increase in the Demand charges by 6% and an increase in Energy charges by 5.75% on existing tariff FY2015-16 for all the sub categories in HT-I for all voltage levels (11KV, 33KV, 132KV)

Proposed Energy charge for HT-I:

- 132 kV:Rs.5.12/unit
- 33 kV: Rs.5.55/unit
- 11kV: Rs.6.00/unit
-

Time-of-Day Tariff (6PM to 10PM)

- 132 kV and above: Rs.6.25
- 33kV: Rs.6.68
- 11kV: Rs.7.13

Proposed Demand Charge: Rs.370.17/KVA/month

6. It is respectfully submitted that the DISCOM proposed to increase the tariff by 5.75% on HT industrial consumers and we are running

increase in operational costs and the above proposal will drive us to run with huge losses and close the units.

7. It is respectfully submitted that the Learned Commission may kindly note the following views and suggestions while determining the ARR Proposal and also Tariff Proposals:

- A) Discom has not followed a scientific approach to determine the revenue requirement, revenue and energy deficit and the figures on the above count are imaginary and intended to suite the requirements of the DISCOM.
- B) Compared to the previous years, the industrial growth rate on actual ground has come down which is as per the statistics in the public domain. In our state, the loans of the Commercial establishments/industrial units are turning NPA and this is on the constant raise. These facts have not been considered by the DISCOM for the energy deficit and power purchase.
- D) The increased tariff by DISCOMS is artificial. In this connection it is essential to note that the State of Delhi has reduced the tariff by 50% to some categories of consumers and ordered audit of the DISCOMS to find out the correctness or otherwise of revenue and expenditure of the DISCOM. It is therefore necessary that the learned commission should contemplate issuing orders for audit of the DISCOMS by the C&AG as is being

done in state of DELHI and until such time, be pleased to direct that the present proposal to increase the rate to be held in abeyance.

- E) Private power producing companies are inflating the cost of coal and fuel etc., and thereby, inflating the selling price of the power under power purchase agreements. This is going unchecked and DISCOMS are buying the power from these private companies without appreciating the artificial hiking of the Purchase price by these companies.
- F) The very fact that there is no uniformity in the purchase price of power per unit from various companies reveal that the DISCOMS are not trying to scrutinize the reasonableness of the price being quoted by the power producers. It is therefore suggested to have a mechanization to ascertain that the Power producing companies do not make unreasonable gains at the cost of the energy consumers. The learned commission may also contemplate appointing scrutinizers, persons from consumer's side and independent technical consultants to audit the power producing companies to ensure that these companies do not inflate the cost and expenses and thereby make unreasonable gains.
- G) The DISCOMS have not made any exercise in ascertaining and arresting energy pilferage with the result, the cost of the

pilferage is passed on to the consumers and the DISCOMS are being let off and allowed to pass on the additional cost arising on account of their negligence on to the consumers.

- H) DISCOMS are also silent on Metering of agricultural consumers and consequential impact of the same on other consumers.
- I) The learned commission's directives contained in tariff order for the year 2013 and 14 have not been complied with substantially by the DISCOM and its replies to the compliance of the above directive are evasive in most of the cases and on this count alone, the present ARR and Tariff proposal for to2015-16 could be held in abeyance till the Directives issued by the learned commission have been substantially complied with by the DISCOM. In this regard it is suggested that the learned commission may kindly appoint a committee with the representatives of each category of Consumers apart from the other members of repute and calibre to study and give a report on the compliance of the Directives of this learned commission by the DISCOM. For instance, some directives of the learned commission stated to have been complied with by the TSSPDCL in its ARR & Tariff proposal for the FY2015-16 under FRESH DIRECTIVES at page no.88 TO 97 however have not been complied with by the Discom. It is also submitted that some of the directives issued by the Learned Commission in its order for

the financial year 2012 - 2013 have also not been complied with by the Discom till date and it is evidenced by the statements of the Discom in its proposal for the financial year 2015 - 2016.

- J) The Discoms are imposing interest for whole month in the event of delay in payment of bills irrespective of the actual quantum of the delay. Even for a singly day's delay, DISCOM's are imposing interest for full month which is arbitrary and against the equity and highly unreasonable. It is therefore suggested that the interest should be charged in proportion to the actual delay but not in terms of the full month for delay of any fraction of the month.
- K) Imposing TOD charges for the power consumed between 6pm and 10pm is indirect inflation of tariff and this has to be removed.
- L) There are differences in the revenue loss shown to have occurred for 2013 - 2014 but the figures do not match as shown in the petition more particularly with reference to Rs.2135 cores in case of TSSPDCL and this needs to be explained by the DISCOMs.
- M) DISCOM stated about the deration of services by HT CONSUMERS but, did not explain as to how the same was utilized. Under the shelter of deration, Discom collected revenue from different consumers or must have issued new services. However, Discom did not provide the details about the new and additional services

released for the year 2013 - 2014 and to whom the derated services were allotted. Like wise, figures for 2014 - 2015 for the first 8 months need to be stated by the Applicant-Discom.

- N) The sales reduction is shown as 12.97% in the petition but the same does not tally with the figures shown in tables and other places.
- O) The estimated gap in the prayer is 1293.56 crores for the year under review and the same does not match with the figures provided in the table in the petition. No rational was given for posing a tariff to consumers who consume less than 200 units and who consume more than 200 units.
- P) The cost of service is not reflected in the tariff proposed for both domestic and industrial tariff.
- Q) Resorting to short term purchase will burden the consumers more especially, the industrial consumers. The Discoms by this time should have a long term plan but, every year, the Discoms resort to short term plans and burden the consumers and this is highly discriminating, irresponsible and without any concern for the suffering consumers. The Learned Commission may kindly take note of this concern and give appropriate directions to the Discoms for the long term plans and purchase of power at reasonable rates.

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erated
- R) The claims of the Discoms for recovery of the principal and interest thereon of the short-term loans during 2015-16 and/or thereafter from consumers through true-up or tariff as also FSA amounts from 2009-10 to 2011-12 are not permissible in the present application by the Discoms.
- S) Though the erstwhile APERC directed the Discoms to resubmit their ARR and tariff proposals in view of bifurcation of the State with updated details, the Discoms did not do so as such, the Discoms by virtue of their default and omission should not be permitted to recover carrying cost of Rs.132 crore for the year 2014-15 from the consumers.
- T) Discoms have shown agricultural consumption exceeding the levels permitted by the Commission by 406 MU for TSNPDCL and an increase for 2014-15 to 37.28% from 32.87% in 2013-14; and by 1116.57 MU for TSSPDCL for the year 2013-14 and an increase for 2014-15 to 22.98% from 20.95% in 2013-14. Since the Government is giving subsidy including cross subsidy, the Commission should not permit true-up of expenditure for revised excess consumption for agriculture and the same should be provided as additional subsidy by the Government. Since the Government has agreed to provide substantial subsidy for 2015-16, the Discoms should explain what the above said subsidy covers and in the absence of the same, it has to be presumed

that the same covers expenditure for revised excess consumption for agriculture.

U) Other objection/suggestions will be urged at the time of hearing.

For the reasons stated above and also, further grounds and reasons as may be discovered and urged later, either on the Consumer's own effort or from the papers and information submitted by the Discoms, during the course of prosecution of the cases, we pray that the Learned Commission may consider the above objections and pass appropriate orders to reject or modify the proposals filed in O.P.No.76 of 2015 in the interest of justice.

Date: - 07.3.2015
Place:- Hyderabad

BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION AT ITS OFFICE AT DOOR NO.11-4-660, 5TH FLOOR, SINGARENI BHAVAN, REDHILLS, HYDERABAD - 500 004.

IN THE MATTER OF:

File No:

Case No: O.P.No.76/2015

FILING OF AGGREGATE REVENUE REQUIREMENT (ARR) AND FILING FOR PROPOSED TARIFF FOR THE RETAIL SUPPLY BUSINESS FOR THE F.Y. 2015-16 by Southern Power Distribution Company of Telangana Limited (TSSPDCL)

Southern Power Distribution Company of Telangana Limited represented by its Chairman and Managing Director, Having its corporate office at Door No. 6-1-50, MINT COMPOUND, HYDERABAD - 500 063.

... Applicant

J. Prasad Rao S/o J. Prasad Rao do hereby solemnly affirm and confirm that the contents in the objections/suggestions filed by me are true to the best of my knowledge, information and belief.

I request the Honourable Commission to provide me an opportunity to make a presentation in person during the public hearings on ARR and PROPOSED TARIFF FOR THE RETAIL SUPPLY BUSINESS FOR THE F.Y. 2015-16.

Place:

Hyderabad

Date:

08.11.15

J. Prasad Rao
DEPONENT.

✓ PRESIDENT

Federation of Telangana
Small (MSME) Industries Association
Industrial Estate, Sanathnagar, Hyd

BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY REGULATORY
COMMISSION AT ITS OFFICE AT DOOR NO.11-4-660, 5TH FLOOR, SINGARENI
BHAVAN, REDHILLS, HYDERABAD - 500 004.

O. P. No.


76

Of 2015

Between:

Southern Power Distribution Company of Telangana Limited represented by Its
Chairman and Managing Director, Having its corporate office at Door No. 6-1-50,
MINT COMPOUND, HYDERABAD - 500 063. Applicant

AND


...RESPONDENTS/OBJECTORS
Federation of Telangana
Small (MSME) Industries As:
(Industrial Estate, Sanathn.

I/We Federation of Telangana Small (MSME) Industries Associations, Industrial Estate, Sanathn.
Hyderabad.

Do hereby appoint and retain

Dhulipalla V. A.S. Ravi Prasad
Advocate
AP/3213/1995

Advocate/s to appear for me/us in the above Suit/Appeal/Petition/Case and to
conduct and prosecute (or defend) the same and all proceedings that may be
taken in respect of any application for any execution of any Decree or Order
passed therein. I/We empower my/our Advocate/s to appear in all
miscellaneous proceedings in the above Suit or matter till all Decrees or Orders
are fully satisfied or adjusted to compromise and to obtain the return of
documents and draw any moneys that might be payable to me/us in the said
suit or of matter (and I/we do further empower my/our advocate/s to accept
on my/our behalf, service of notice of all or any appeals or petitions filed in
any court of Appeal, Reference or Revision with regard to the said suit or
matter before the disposal of the same in this Honourable Court.

Certified that the executants who is well acquainted with
English/Urdu/Telugu and this Vakalatnama and the contents of the
Vakalatnama have been read out and explained in Urdu/Hindi/Telugu to
executants as he/she/they begin unacquainted with English who appeared to
perfectly understand the same and signed or put his/her/their name or mark in
my presence.

Identified by: Sri Dhulipalla V. A. S. Ravi Prasad, Advocate.

BEFORE THE HONOURABLE TELANGANA
STATE ELECTRICITY REGULATORY
COMMISSION AT ITS OFFICE AT DOOR
NO.11-4-660, 5TH FLOOR, SINGARENI
BHAVAN, REDHILLS, HYDERABAD - 500
004.

O. P. No. _____ Of _____
2015

Between:

Southern Power Distribution Company
of Telangana Limited

...PETITIONER

AND



...RESPONDENTS
PRESIDENT

Federation of Telangana
Small (MSME) Industries Association
Industrial Estate, Sanathnagar, Hyd
VAKALAT

ACCEPTED

Filed on:

Filed by: DHULIPALLA V.A.S. RAVI PRASAD
ADVOCATE

Advocate for : OBJECTOR



PRESIDENT

Federation of Telangana
Small (MSME) Industries Association
Industrial Estate, Sanathnagar, Hyd

CELL: 9440234074

DHULIPALLA V.A.S. RAVI PRASAD
ADVOCATE (AP/3213/1995)
WADHU LAW FIRM