



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

Minutes of the 4th meeting of the State Advisory Committee (SAC)

Date: January 27, 2018

Venue: Conference Hall, 5th Floor, TSERC, Singareni Bhavan, Hyderabad

Agenda: To elicit views of the SAC Members on the ARR and Tariff proposals for the Retail Supply Business, Cross Subsidy Surcharge Proposals and Additional Surcharge Proposal for the FY 2018-19

Committee Members in attendance

1	Sri. Ismail Ali Khan	Chairman, TSERC
2	Sri H. Srinivasulu	Member/F, TSERC
3	Sri Umakanta Panda	Secretary (Addl. Charge) , TSERC
4	Professor N. Yadaiah	JNTU, Hyderabad
5	Sri. N. Sreekumar,	Member, PRAYAS (Energy Group)
6	Y. Narendra Babu	General Secretary, FETSIA
7	Sri. Vijay G Reddy	Member, FTAPCCI
8	Sri. G. Sai Baba	General Secretary, Telangana State Electricity Employees' 1104 Union
9	Sri. E. Sridhar	Secy. General, Telangana State Electricity Employees' Union- 327
10	Sri. M. Sreedhar Reddy	Member, Bharateeya Kisan Sangh
11	Professor S. Jeelani	Director, Centre for Distance & Virtual Learning, HCU
12	Dr. Usha Ramachandra	Administrative Staff College of India, Hyderabad

Others in attendance by invitation

1. CMD, TSSPDCL
2. CMD, TSNPDCL
3. JMD, TRANSCO
4. Officers of TSERC
5. Officers of TSNPDCL & TSPDCL
6. Krishna Mohan, Consultant, ABPS

Proceedings

1. The Commission Secretary (Addl. Charge) welcomed the SAC Members and other invitees. The Members were then requested to provide a brief introduction of themselves.
2. The Chairman welcomed the Members and other invitees present and set the agenda. The agenda was to discuss and to provide views /suggestions/ comments on the ARR and Tariff proposals for the Retail Supply Business, Cross Subsidy Surcharge Proposals and Additional Surcharge Proposals of both DISCOMs for the FY 2018-19.
3. The consultant from ABPS then provided a brief overview of the ARR, Tariff Proposal filings by both DISCOMs for the FY 2018-19.
4. The Chairman on completion of the presentation by ABPS, invited the SAC Members to provide their views.
5. The views / suggestions/ comments of the SAC Members and discussions are summarised herein:

N. Yadaiah, Professor JNTU, Hyderabad

- He enquired on the methodology for computation of power purchase cost to which the Chairman replied that the cost computed is the weighted average cost
- With regard to HT consumers the power factor fluctuates and certain points of time dips lower than 0.4 or 0.5. The possibility to provide equipment to maintain stable power factor at the cost of consumers' needs to be explored.
- TSSPDCL CMD stated that in case of power factor fluctuation, monitoring shall be on the consumer's end.

Sri. N. Sreekumar, Prayas Energy Group

Sri. N. Sreekumar made a short presentation, the highlights of which are as follows:

- **Accidents:** He stated that the breakdown on cause of accidents is as follows:
 - TSNPDCL - 45% due to department & 55% due to consumer faults
 - TSSPDCL – No data is provided
 - He stated that negligence in rural areas on infrastructure is a cause of concern and the location of majority of accidents. He then presented pictures of transformers at Komarabanda Village in Shahbad Mandal, RR District placed in precarious

positions and mounted on a temporary structure. He opined that such installations are “accidents waiting to happen” and DISCOMs are to ensure that such installations are rectified immediately. There is no action plan of DISCOMs to overcome this challenge as sufficient response has not been provided to Directive 9.9 of the FY 2017-18 Tariff Order.

- **Load forecast & resource plan:** The reported energy consumption for the past years is consistently lower than approved in the Tariff Order. Furthermore the reported consumption is significantly lower than the Tariff Filing Proposals of the DISCOMs for the respective years. Thereby, the load forecast and resource plan methods need a rigorous review. He stated that he hopes that both DISCOMs will submit their load forecast and resource plan on time and TSERC to invite comments on public for the same.
- **Revenue gap & Tariff revision:** The current revenue gap of Rs.9,771 crores is significant and without tariff hike, it is not clear how DISCOMs propose to bridge the gap. Furthermore, the cumulative deficit shall be Rs.13,300 crores by FY 2017-18 and the deficit shall only add on in coming years leading to another financial crisis of DISCOMs
- **Agriculture supply:**
 - Suggestions on improving the agriculture consumption estimates are not being taken up.
 - The consumption estimate needs to be improved.
- **24X7 power to agriculture:**
 - He welcomed the 24X7 power supply to agriculture sector and stated that a detailed study needs to be conducted on the consumption pattern.
 - There is a direct link between feeder interruptions and the case for removal of auto-starters. Unless reliable power with no interruptions is provided, auto starters cannot be removed.
 - Investments are required to upgrade infrastructure for this 24X7 power
 - Member/F sought an opinion on increase in power consumption due to 24X7.
 - Sri. N. Sreekumar opined that theoretically 24X7 shall cause an initial surge in power consumption and followed by drop in consumption. Overall, due to availability consumption shall increase. The increase may be caused by change in cropping pattern by shift to heavy water consuming crops such as paddy. Further, he opined that consumption pattern needs to be observed closely at mandal and circle levels and then establish if there is a “need” for such power. Also, such

Annexure – 1

Summary of additional comments submitted by SAC members in writing

Dr. Usha Ramachandra

1. There is a significant jump in Agriculture (LT-V) sales from FY 15-16 to FY 16-17. The number of pump-sets in terms of HP should also be furnished.
2. Efficiency improvements, proposed tariff revisions or any other alternatives to bridge the revenue gap should be part of the filing.
3. With regard to FY 16-17, a table indicating the comparison of approved tariff order, actuals and deviation for all ARR must be provided.
4. Presentation does not provide a trend or analysis.
5. Definition of supply margin is missing

Prof. S. Jeelani

1. Electrical meters to be linked to Aadhar to discourage illegal connections.
2. Digital networking of electrical connections to enable remote meter reading and access data for further analysis.

N Sreekumar, Prayas Energy Group

1. Agriculture supply:
 - a. Both DISCOMs should give dates by when DTR metering will be completed
 - b. Response to UDAY directive on DTR metering is inadequate
 - i. SPDCL states in filing that only urban DTR metering shall be completed
 - ii. NPDCL response is that only about feeder metering
 - c. Agl pump-set census should be undertaken to take stock of active connections and connected load
 - d. DISCOMs to provide access to public with viewing facility of feeder outage report and feeder analysis.
 - e. Poly-house and Green-house consumption is to be monitored by metering such consumers and reporting them separately in tariff filings.
2. Agriculture 24X7 supply: data on analysis before extending such supply is not clear, the following questions need to be answered
 - a. Basic data on pilot circles with details on new connection, connected load, consumption pattern etc.,
 - b. Duration of pump operation

- c. Point of ground water dip from wherein no further water could be pumped. Also what was the time taken for re-charge of water?
 - d. Count of power interruptions experienced by a farmer per day and plans to reduce such interruptions
 - e. Feedback from farmer on 24X7 supply
3. Studies shall be commissioned to assess the 24X7 power supply to agriculture
 4. Similar to Assam, initiative to set up a one man commission to inquire into accidents shall be taken up.

Er. Tayi Krishna Rao (Chairman ECM) & Dr. S. Satyanaryana (Chairman -IEI TSC)

Requested the Commission to issue necessary orders to concerned authorities to implement energy audit and efficiency measures as per Energy Conservation Act and involve Institution of Engineering (India) to help in such implementation.


COMMISSION SECRETARY