

South Central Railway
दक्षिण मध्य रेलवे

For perusal
Secretary
Member/T
Headquarters Office,
विद्युत शाखा / Electrical Branch,
Rail Nilayam
चौथी मंजिल / IV floor,,
सिकंदराबाद / Secunderabad-500 071

No.E. 19/5/1/3/TSERC/ Vol. I

Dt: 08.05.2017.

The Secretary,
Telangana State Electricity Regulatory Commission,
D.No.11-4-660, 5th Floor,
Singareni Bhavan, Lakdi-ka-pool,
HYDERABAD-500 004.

Sub: Representation against to the proposed tariff for HT-V (Railway Traction) category of S.C Railways.
Ref: Public notice issued in the news paper Dated 24.04.2017.

DISCOMs of Telangana have issued public notice in news paper on 24.04.2017 for the proposed retail supply tariff for the year 2017-18.

The representation against the proposed retail tariff of HT-V (Railway Traction) category of South Central Railway is enclosed for kind consideration.

A copy of the representation has also been submitted to Chief General Manager (commercial & RAC), TSSPDCL and CGM (IPC & RAC) TSNPDCL. A Photo copy of the acknowledgement of TSSPDCL is also enclosed.

Apart from this representation, South Central Railway also request to be heard in person during public hearing on 06.06.2017.

Kindly acknowledge receipt.

Encl- Copy of Representations for HT-V
Copy of acknowledgement

CHAIRMAN PESHI
No : 3384
DATE : 11/5/17

(L.L. MEENA)
CHIEF ELECTRICAL DISTRIBUTION ENGINEER
SOUTH CENTRAL RAILWAY
SECUNDERABAD

C/- 1. Chief General Manager (Commercial & RAC), TSSPDCL, Grond floor,
Mint Compound, Hyderabad.

2. Chief General Manager (IPC & RAC), TSNPDCL,
H.No. 2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanmakonda-506001.

**THE OBJECTIONS ON THE PROPOSED TARIFF BY AP DISCOMS FOR H.T. CATEGORY-V
(RAILWAY TRACTION) FOR THE YEAR 2017-18 ON BEHALF OF SOUTH CENTRAL RAILWAY**

Name & Full address of the Objector	Brief details of Objection (s) / suggestion	Objections against Tariff proposal	Whether copy of Objection & Proof of delivery at Licensee's office enclosed	Whether objector wants to be heard in person
L.L.MEENA, Chief Electrical Distribution Engineer, South Central Railway, IV floor, Rail Nilayam, Secunderabad-500071	Proposed higher tariff for Railway traction	TSSPDCL TSNPDCL	Yes	Yes

**THE OBJECTIONS ON THE PROPOSED TARIFF BY TS DISCOMS FOR H.T.
CATEGORY-V (RAILWAY TRACTION) FOR THE YEAR 2017-18 ON
BEHALF OF SOUTH CENTRAL RAILWAY**

1.0 Railways serve the public at large and being a public utility, it should be supplied with electricity at a reasonable price which would reduce its requirement for diesel. In the process there would be saving of foreign exchange. It will also prevent upward revision of fares for transportation of passengers and goods by the Railways

South Central Railway avails traction power at 132 KV at 16 Traction sub-stations in Telangana state. The total consumption of Railway traction is 557.9 million units for the year 2016-17 and paying a substantial amount of Rs. 392.87 Crores to DISCOMs in Telangana.

The Railways are a bulk consumer and pay major revenues to DISCOMs. Hence, the grievances of Railways are to be considered while fixing the tariff for HT-V category.

2.0 Electrification of more sections in Telangana state :

By way of electrification of Railway network in Telangana additional infrastructure will be added, resulting into faster movement of goods and passenger traffic. Ultimately there is every possibility of upcoming industries in newly formed Telangana state.

Electrification of 3rd line from Ballarsha – Kazipet - Vijayawada section, Jaggayyapet- Vishnupuram, MMTS – Phase –II, Peddapalli- Karimnagar- Jagityal and Pagidipalli - Nadikudi sections are under progress in Telangana state. Kachiguda- Mahaboobnagar doubling and electrification project has been sanctioned.

In view of new electrification works 7 more traction substations in Telangana at Mattampalli, Manoharabad, Thimmapur, Kothapalli, Miryalaguda, Ramannapet and Mahaboobnagar are going to be

commissioned in 2017-18, 18-19 and further consumption will be increased.

Higher traction tariff slashes Rate of Return (ROR) for the new electrification projects and making them non- viable.

3.0 Traction Tariff Proposed for 2017-18

- At present the traction tariff is Rs. 7.10 per KVAh and no demand charges.
- Now, Discoms have proposed same as Rs 7.10/ KVAh without any change in tariff.

6.0 Railway option for open access for availing traction power supply.

- It is brought to the notice of the Hon'ble commission, Indian Railways are already availing power through open access in various states/Railways as following. As a distribution licensee cross subsidy charges are also not applicable for Railways.

Railway/State	Power Availing from	Unit Cost
Central, Western & South eastern Railway (Maharashtra, Gujarat, Madhya Pradesh Jarkhand & UP states)	RGPPL	Rs. 5.50/KWH

- Due to discriminative policy of Discoms and over burden, Railways as a deemed licensee, already planned to avail power through open access in Telangana state upto March 2022.
- In view of this, it is brought to your kind notice, Hon'ble Andhra Pradesh State electricity Regulatory commission (APERC) has fixed

traction tariff as Demand charges Rs. 300/KVA/Month and energy charges Rs. 3.55/KVAh) for the year 2017-18. (Equivalent to Rs. 4.74 /Unit) and retain with Discoms by decreasing traction tariff drastically.

- In this circumstance, existing and proposed tariff of TS Discoms Rs. 7.10/KVAh is very high. Higher tariff comparatively open access tariff, over burden to Railways and prompt paying bulk consumer. The higher tariff of Discoms forcing Railway to go for open access to meet its consumption.

7.0 Off peak time loads for Railway Traction:

It is to mention that Railway traction loads are for passenger & goods train services. There is no distinction of peak to non-peak hours. Most of the goods trains are run during night time which is off peak period. This is improving base loads of DISCOMs and supporting the grid stability. Apart from this, Railways is maintaining higher power factor.

8.0 Comparison of Railway traction with HT-I (B) :

The existing Railway traction tariff of Rs. 7.10 per unit is substantially higher than the HT-1(B) category by Rs. 5.00 per unit (42%) despite the fact that both are availing supply at same voltage level.

Category	Supply availing	Type of industry	Organisation	Effect on environment	Tariff fixed Rs/unit	Variation over Avg. COS Rs. 5.94/unit
HT-I(B)	132 KV	Power intensive	Production oriented	--	5.00	-15.82%
HT (V) A Railway traction	132 KV	Power intensive	Public service	Energy efficient and eco friendly	7.10	+19.53%

Except load factor, Ferro Alloys has no other advantages over Railways. Contribution of Railways to economic and social developments of country far outweighs the higher load factor of Ferro Alloys. It is brought to the

kind notice of commission that load factor of Railways is showing an upward trend due to introduction of intermediate block section with the help of IB signals. This enables running of more trains and hence higher load factor.

As brought out in Para 7.0, the Railway draws substantial supply during off peak period also, thus helping in improving base load and supporting the grid stability. Charging of such higher tariff from Railway is irrational and unjustified. The Railways being a public utility organization, charging at unreasonably higher rates is unjustified.

Hon'ble commission is requested to critically examine the preferential treatment / subsidy given to Ferro Alloys which is unjustifiable and against basic principles of Electricity Act 2003 (section 61).

8.0 Extension of Subsidy to certain categories – Request for Deletion:

Section 61(g) of Electricity Act 2003 stipulate that “the tariff progressively reflects the cost of supply of electricity, and also reduces and eliminates cross- subsidies within the period to be specified by the appropriate commission.”

From the cost of service and tariff models of the various DISCOMs, it is noted that certain categories have been heavily subsidized and the cross subsidy is charged to other consumers like Railways. This needs to be eliminated as per the stipulation under Section 61 (g) of the Electricity Act, 2003.

Hon'ble Commission is requested to fix tariff reasonably for HT-V category. Cross-subsidy element being charged heavily to Railways is unjustified and as it is required to be reduced to zero gradually.

Hon'ble commission is requested to consider this aspect while fixing the tariff for railway traction and other consumers.

9.0 Determination of Cross subsidy surcharge and additional surcharge for open access for 2017-18:

Ministry of Power vide Ir. No. 25/19/2004-R &R Dt. 06.05.2014 (Annexure -I) clarified that Railways is a deemed licensee under the third provision to section 14 of the Electricity Act 2003.

According to CERC order dated 05.11.2015, petition No. 197/MP/2015 and APTEL order dated 16.12.2015& 27.09.2016 on Appeal No. 276/2015 " The Indian Railways is a deemed licensee under third provision to section 14 of the Electricity Act and no separate declaration to that effect is required from the Appropriate Commission".

It is also submitted that, National Tariff Policy was notified on 28.01.2016 with a clause regarding exemption of cross subsidy surcharge on Railway has been introduced.

National Tariff Policy 8.5.1 stipulates "Provided further that the appropriate commission, in consultation with the Appropriate Government, shall exempt levy of cross subsidy charge on the Railways as defined in Indian Railways Act, 1989 being a deemed licensee on electricity purchased for its own consumption."

In view of this, Hon'ble commission is requested to exempt Railways as a deemed licensee from payment of cross subsidy surcharge as per spirit and compliance of guidelines of National Tariff Policy.

10.0 CONCLUSION:

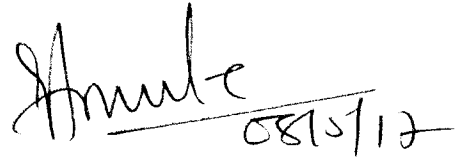
From the foregoing paragraphs, it is evident that the tariff of Railway traction at Rs. 7.10 for 2017-18 is unreasonably high and highly unjustified.

- (i) The Electricity Act 2003 vide Section 61(g) stipulates that "the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission".
- (ii) National tariff policy para 8.5.1 states that "**Provided further that the appropriate commission, in consultation with the Appropriate Government, shall exempt levy of cross subsidy charge on the Railway as defined in Indian Railways Act, 1989 being a deemed licensee on electricity purchased for its own consumption.**"
- (iii) The tariff proposed for HT-I (B) Ferro Alloys units at Rs 5.00 per unit being a power intensive unit where as railway traction tariff is Rs. 7.10/KVAh per unit is higher by 42 % despite of power intensive and public serving unit.
- (iv) Apart from these the Railway traction provides base load, maintained high power factor, and save imported precious oil, apart from speedy, energy efficient and environmental friendly public transport.
- (v) Encouragement for new electrified sections for development of infrastructure in newly formed Telangana particularly and also act as growth engine for the economy of country largely.

Submission :

In view of the above submissions, the Hon'ble commission is requested to consider the Railways plea and it is prayed that,

- 1. the tariff under category HT- V (A)- Railway traction be reduced from the present level of Rs. 7.10 per KVAh for the above reasons and also requested to fix the traction tariff on par with APERC tariff.**
- 2. to exempt Railways from levy of cross subsidy surcharge and additional surcharge being a deemed licensee on electricity purchased for its own consumption.**
- 3. to give impetus to electification of Railway network, a rebate of at least 10% of energy charges be allowed for a period of 5 years similar to Railway traction tariff Madhya Pradesh.**



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