

# TELANGANA FERRO ALLOYS PRODUCERS ASSOCIATION

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## Chief Patron

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## Honorary President

**MV Anantha Krishna**, WTD,

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## Sr. Vice-President

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**Ganesh Gorak**, Director,

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## Joint Secretary

**Ravi Mittal**, Director,

SR Alloys, Plot No.5-Sofi Nagar,

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**RP Agarwal**, Chairman,

Mahavir Ferro Alloys, Sy.No.19,

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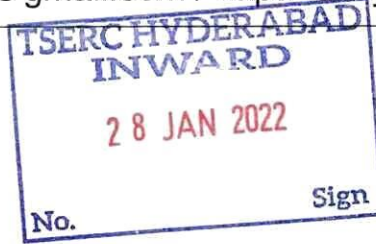
## Executive Member

**Bharat Kumar Agarwal**, MD,

Srihari Ferro Alloys P Ltd, Sy.No.1369,

Bhiknoor village, Kamareddy-503101.

hariferro18@gmail.com



27.01.2022

The Secretary,  
Telangana State Electricity Regulatory  
Commission,  
D No:11-4-660,  
V Floor, Singareni Bhavan  
Red Hills,  
HYDERABAD – 500004

Dear Sir,

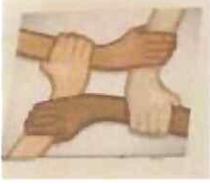
SUB: Objections and Suggestions to the  
Aggregate Revenue Requirement (ARR)  
and Filings of Proposed Tariffs (FPT) for  
Retail supply Business for FY 2022-23

Ref: Our letter dated 19<sup>th</sup> Jan 2022

In continuation of our earlier representation as  
referred above, we wish to submit Additional  
Objections but not in derogation. It is further  
submitted as under:

1. As narrated earlier, this category is high  
power intensive units and substantial part,  
nearer to 65% of Manufacture cost is power  
charges. Most of the units in general were  
closed for quite long time unable to bear  
with power costs, besides competition from  
other states, where power charges are less.





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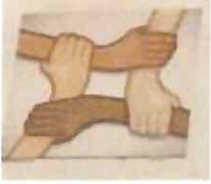
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- 2 It is submitted after getting few decisions of the Government of Telangana to this category of power intensive projects, allowing them to pay dues in instalments without interest has given hope for recommencement of operations of Ferro Alloys industry. This power intensive category Ferro Alloy industry is now revived. However, the main grievance to exempt power intensive these category (Ferro alloys industry) from the liability of minimum demand charges is still pending before the Hon'ble Commission, while in AP State such liability is omitted considering the fact that financial viability of these projects are not permissible unlike others category of industries.
- 3 It is submitted that still there are six units of this power intensive category which could not pay the pending dues even after granting instalments, because of unfavorable market conditions for Ferro Alloys industry projects. This objection is submitted keeping in view of two separate orders of TSSPDCL, concerned to all six Ferro Alloy units (power intensive) category in one order dated 17.09.2018 and the other order dated 04.10.2021 in respect of M/s VBC Ferro alloys Limited for repayment of all existing liabilities shown in the above order are for substantial amount of money, is in the process of Clearing old FSA dues. Copies of these two orders are enclosed for kind reference of Regulatory Commission.
- 4 The following aspects and additional objections are highlighted as most of the Ferro Alloy units are only connected to 132 KV, the same is submitted in respect of such class of 132 KV out of Ferro Alloys Manufacturing Industries category.
- 5 Earlier this Hon'ble Commission, considering the fact of high power intensive, this category was specifically carved out of HT







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- 1(A) general industry as HT-1(B) and specific tariff was determined comparatively lesser than general industrial category.
- 6 In respect of the Ferro Alloys Category of 132 KV class, it was Rs.4.80 per unit towards energy charges for the financial year 2015-16 and revised the same to Rs.5.00 per unit subsequently but without any demand charges. Whereas the per unit charges for general industry was fixed at Rs.5.60 besides Rs.3.90 ps towards demand charges.
- 6 Now, in the New ARR proposals it is contemplated to increase by Rs.1.00 to general industries to make it Rs.6.60, but for Ferro Alloys, it is proposed to increase by Rs.1.60 per unit to make it Rs. 6.60 ps, besides imposing Rs.4.50 for KVA per month towards demand charges. Thus, increase of unit charges in the New proposal is arbitrary, phenomenal and without any justification of what so ever.
- 7 Further, as per the A.R.R submitted now, at page 227 and 228 of A.R.R, the cost to service Model is given. As per the same cost to service for this category is shown as Rs.4.57, and categorically stated there are no commercial losses for this category of industries. Whereas, the general industries of same voltage 132 KV, the cost to service is Rs.5.29. Although, there is difference of Rs.0.72 paisa, in cost to service, the demand charges & energy charges to Ferro Alloys is same as that of general industry category. As such, proposal is arbitrary without any rational basis.
- 8 Further, without any justification, the Discom has proposed to delete the earlier carved out as category HT-1(B) to this Ferro Alloys Units being high power intensive and now merged with H.T





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1-A general industry. Therefore, the said proposal is arbitrary and on the face of it, and deserves to be rejected.

- 9 With regard to new proposed demand charges for the Ferro Alloys category is Rs.475 per KV per month although hitherto there was no such demand charges at all to this category. Whereas in respect of General industry, it was only Rs.0.85 increase in the component of demand charges. The said demand charges of Rs.475 per KV per month would translate to Rs.0.75 per unit of power consumed by these units which is very high and only will increase cost of power to Ferro alloys industry.

For All the above mentioned reasons, it is prayed not to impose new component of demand charges and also to maintain earlier tariff Rs.5 per unit in order to enable the Industry to repay the existing installments and also to survive and compete with neighboring states.

Yours faithfully,  
for Telangana Ferro Alloys Producers Association,

M V Ananthakrishna  
Honorary President







## SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

O/o Chief General Manager (Revenue),  
TSSPDCL, Corporate Office,  
Mint Compound, Hyderabad.

Memo.No. CGM(Rev)/GM(Rev)/SAO(R)/AO(HT)/AAO(HT)/D.No.127/18.Dt:17.09.2018.

Sub: - TSSPDCL –HT Section – Restoration of power supply to M/s. GSN Ferro Alloys Pvt Ltd, M/s. VBC Ferro Alloys, M/s. Shivam Smelters, M/s. Mahaveer Ferro Alloys, M/s. Sri Shiva Spinning Mills sick industries duly considering the decision of the Government of Telangana – Working Instructions –Issued - Reg.

- Ref:- 1) Letter No. 582/PR (A2)/2018;Dt: 24.05.2018 from Special Chief Secretary to Government, Energy Department.  
2) Lr.No. CMD/TSSPDCL/CGM (Rev)/GM (Rev)/AO (HT)/D.No.105/18. Dt. 28/08/2018.  
3) Letter No. 582/PR (A2)/2018;Dt: 04.09.2018 from Special Chief Secretary to Government, Energy Department.  
4) S.P.O.O (Comml.) Ms. No. 673/2018-19; Dt: 17.09.2018.  
5) S.P.O.O (Comml.) Ms. No. 676/2018-19; Dt: 18.09.2018

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Consequent to the issue of Administrative approval for restoration of supply to 6 Nos. Sick Industries/ HT Consumers vide reference 4<sup>th</sup> & 5<sup>th</sup> Cited, the working instructions in regard to Collection of Actual CC Charges Arrears, Initial Security Deposit, Development Charges, Actual FSA Charges, Monthly Minimum Charges, 85% Deemed Energy Charges and Surcharge for delay in payment of Actual CC Charges, FSA Charges & 85% Deemed Energy Charges are issued here under.

1. The initial Security Deposit of Rs. 10,94,91,000.00 shall be collected before Restoration of the Supply.

Sl. No.	Name of the HT Consumer	HT SC. No.	CMD in KVA	ISD Payable
1	M/s. Sri Shiva Spinning Mills Pvt Ltd	YDD087	4998	7497000
2	M/s. Sri Shiva Spinning Mills Pvt Ltd	RJN383	1997	2995500
3	M/s.Mahaveer Ferro Alloys	MBN630	7000	10500000
4	M/s Shivam Smelters Pvt. Ltd	SDP815	4999	7498500
5	M/s VBC Ferro Alloys Ltd	SGR129	20000	30000000
6	M/s GSN Ferro Alloys Pvt Ltd.	MDK923	34000	51000000
	<b>Total</b>			<b>109491000</b>

2. The Actual CC Charges and FSA Charges amount of Rs. 52,74,23,410.00 shall be collected in (24) Interest Free Equal Monthly installments with one year moratorium. The 1<sup>st</sup> installment amount shall be collected starting from September, 2019 onwards from the said Consumers. The applicable surcharge for delay in payment shall be levied every month starting from 1<sup>st</sup> August 2018 and same is to be claimed by transferring to the **SAP G/L Number 2800444 (Receivables from Government)** from the Industries and Commerce Department, Government of Telangana by way of reimbursement.

Sl. No.	Name of the HT Consumer	HT SC. No.	Actual CC Charges	FSA Charges	Total
1	M/s. Sri Shiva Spinning Mills Pvt Ltd	YDD087	8059979	11596468	19656447
2	M/s. Sri Shiva Spinning Mills Pvt Ltd	RJN383	7283473	14189222	21472695
3	M/s.Mahaveer Ferro Alloys	MBN630	0	79975114	79975114
4	M/s Shivam Smelters Pvt. Ltd	SDP815	19246650	11139445	30386095
5	M/s VBC Ferro Alloys Ltd	SGR129	64001279	113136781	177138060
6	M/s GSN Ferro Alloys Pvt Ltd.	MDK923	137379422	61415577	198794999
	<b>Total</b>		<b>235970803</b>	<b>291452607</b>	<b>527423410</b>



3. The Government of Telangana has agreed for reimbursement of Rs. 44,08,76,489.00 from incentive budget of Industries & Commerce Department towards surcharge on actual CC Charges, Surcharge on FSA Charges, Monthly Minimum Charges and Development Charges for restoration of Supply to the following 6Nos. HT Industries/Consumers. This amount shall be transferred to **SAP G/L Number 2800444 (Receivables from Government)** before restoration of the supply.

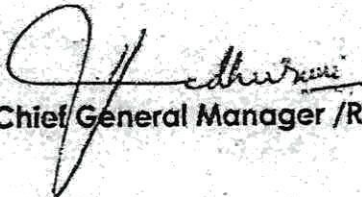
Sl. No.	Name of the HT Consumer	HT SC. No.	Surcharge on Actual CC charges	Surcharge on FSA Charges	Monthly Minimum Charges	Development Charges	Total
1	M/s. Sri Shiva Spinning Mills Pvt Ltd	YDD087	6770380	9741033	3221585	5997600	25730598
2	M/s. Sri Shiva Spinning Mills Pvt Ltd	RJN383	6008865	11706108	1917137	2396400	22028510
3	M/s.Mahaveer Ferro Alloys	MBN630	0	77975736	3325374	8400000	89701110
4	M/s Shivam Smelters Pvt. Ltd	SDP815	8660993	8615842	8568530	5998800	31844165
5	M/s VBC Ferro Alloys Ltd	SGR129	56641131	86618932	0	20000000	163260063
6	M/s GSN Ferro Alloys Pvt Ltd.	MDK923	22667604	51644439	0	34000000	108312043
	<b>Total</b>		<b>100748973</b>	<b>246302090</b>	<b>17032626</b>	<b>76792800</b>	<b>440876489</b>

4. The 85% Deemed Energy Charges of Rs. 85,26,24,587.00 and surcharge of Rs. 46,34,94,118.00 for delay in payment of 85% Deemed Energy Charges shall be paid by the following HT Consumers as per the Hon'ble TSERC orders yet to be issued.

Sl. No.	Name of the HT Consumer	HT SC. No.	85% Deemed Energy Charges	Surcharge on 85% Deemed Energy Charges	Total
1	M/s VBC Ferro Alloys Ltd	SGR129	336040784	229440738	565481522
2	M/s GSN Ferro Alloys Pvt Ltd.	MDK923	516583803	234053380	750637183
	<b>Total</b>		<b>852624587</b>	<b>463494118</b>	<b>1316118705</b>

5. An undertaking from the above HT Consumers shall be obtained for payment of the said dues as decided above before restoration of the supply.

Hence, the Concerned Superintending Engineers/Operation Circles are here by instructed to take necessary action for raising the demand towards surcharge for delay in payment of Actual CC charges dues and FSA Charges from the date of termination of agreement to the above HT Services, and restore the supply as per the instructions issued above supra, and report compliance.

  
Chief General Manager /Revenue

To,

The Superintending Engineer /Operation } Mahabubnagar, Yadadri, Medak, Siddipet,  
The Seniors Accounts Officer/Operation } Sangareddy and Rajendranagar.

Copy to the Chief General Manager/Comml/TSSPDCL/Hyderabad.

Copy to the Chief General Manager/Ranga Reddy, Rural Metro & Medchal Zone I/TSSPDCL/Hyderabad.

Copy to the Director/Commercial/TSSPDCL/Hyderabad.

Copy to the Director/Finance /TSSPDCL/Hyderabad.





SOUTHERN POWER DISTRIBUTION COMPANY OF T.S.LTD.  
6-1-50, Corporate Office, Mint Compound, Hyderabad - 500 004

O/o. the Chief General Manager (Commercial),  
TSSPDCL, Ground Floor, Corporate Office,  
Mint Compound, Hyderabad.

Memo No. CGM (C)/SE(C)/DE(C)/ADE-II/D.No. 3122/2021-22 Date: 18-10-2021

Sub:- TSSPDCL – COMML – HT.Sc.No.SGR-129 (Cat-I, CMD of 20MVA at 132kV voltage level) of M/s VBC Ferro Alloys Ltd, Rudraram(V), Patancheru Mandal, Sangareddy District - Restoration of power supply under sick unit revival scheme with a CMD of 12 MVA and installments on outstanding arrears – Revised orders issued - Reg.

Ref:- 1. Consumer representation received Dt. 29.09.2021..

□□□□□

With reference to the letter (1) cited above, the TSSPDCL accords approval for restoration of power supply under sick unit revival scheme to HT.Sc.No.SGR-129 (Cat-I, CMD of 20MVA at 132kV voltage level) of M/s VBC Ferro Alloys Ltd, Rudraram(V), Patancheru Mandal, Sangareddy District with a CMD of 12 MVA. The arrears are to be paid by the consumer by applying the orders of TSSPDCL for LT Cat III / HT Cat-I services are as follows.

- I) The consumer has to pay the dues up to date of disconnection of supply
- II) The consumer has to pay additional charges for belated payment of the above CC charges dues.
- III) The consumer has to pay fresh consumption deposit @ Rs.500/- per kVA per shift for 3 shifts and development charges @ Rs.1000/- (132 kV level) per kVA for a CMD of 12 MVA.
- IV) The consumer has to enter into a fresh agreement for the contracted load of 12 MVA.
- V) The consumer has to pay the cost of the estimate under 100% contribution for the works involved for rectification including cost of CTPT Set.
- VI) The consumer has to pay other charges, if any.
- VII) In addition to the above, the following conditions are issued.
  - a) They will not be eligible for any other concession if any available for new industrial units under the State Industrial Policy.
  - b) They shall not be entitled to contract for purchase of power from any source other than TSTRANSCO /DISCOM.
  - c) They shall not use Captive Generation except as standby, that too for critical requirements.
- VIII) Any further extension / additional CMD will attract the Development Charges and Security Deposit as per rules in vogue.

Further, the Consumer has to pay the following charges before restoration of power supply.

- i) Actual CC Charges & FSA charges payable : Rs.19,58,74,454/-
- ii) Surcharges payable upto 30.09.2021 : Rs.25,03,54,972/-
- iii) 85% Deemed Energy Charges payable  
For FY 2019-20 : Rs.14,35,97,313/-
- iv) Development Charges for previous  
restoration in 2019 : Rs. 2,00,00,000/-  
**Total amount payable : Rs. 60,98,26,739/-**
- v) Development Charges (@ Rs.1000/-) for a  
CMD of 12 MVA (payable to TSTRANSCO): Rs.1,20,00,000/-  
and 18% of GST shall be paid additionally.
- vi) Initial Consumption Deposit (@ Rs.500/-  
(per kVA per shift for 3 shifts) : Rs.1,80,00,000/-  
(payable to TSSPDCL)
- vi) Approval accorded for (12) equal installments for payment of Rs. 60,98,26,739/-

Further, the Superintending Engineer/Operation/Sangareddy is requested to obtain under taking letter from the consumer on Rs.100/- Non Judicial Stamp Paper for payment of pending 85% Deemed Energy Charges i.e., Rs.80,80,37,299/- as per outcome of court cases.

The Superintending Engineer/ Operation/ Sangareddy is requested to take necessary action accordingly for restoration of power supply as per the departmental rules in vogue and also requested to arrange for testing of CTs, PTs and Meters before release of supply.

This is issued with the approval of the Chairman & Managing Director/TSSPDCL vide Reg.No.2828, Dt.14.10.2021.

  
Chief General Manager/ Commercial

To:  
The Superintending Engineer/ Operation/ Sangareddy.  
The Sr. Accounts Officer/Operation/ Sangareddy.

Copy to:  
The Chief General Manager/Revenue /TSSPDCL.  
The Chief General Manager/Rural Zone/TSSPDCL  
The Superintending Engineer/DPE/TSSPDCL.

The Chief Engineer/Commercial/Vidyut Soudha/TSTransco  
The Chief Engineer/TL&SS/Rural Zone/TSTransco

M/s VBC Ferro Alloys Ltd,  
Rudraram(V), Patancheru Mandal, Sangareddy District.