

To

The Secretary

Telangana Electricity Regulatory Commission

Sy. No.145-P, Vidyut Niyamtran Bhavan

Kalyan Nagar, GTS Colony, Hyderabad

September 23, 2024

Respected sir,

Sub : Submissions on the ARR and tariff proposals of TGSPDCL and TGNPDCL for their retail supply business for the years 2024-25 to 2028-29 in OP No.16 of 2024 and IA No.15 of 2024 and OP No.17 of 2024 and IA No.16 of 2024

With reference to the public notices dated 20.9.2024, am submitting the following points on the subject proposals of the TGDISCOMs for the consideration of the Hon'ble Commission:

1. As per the Regulation No.2 of 2023, TGDISCOMs should have submitted the subject petitions and their petitions for distribution business for the 5th control period before 31st January, 2024. However, they have submitted the subject petitions on 18.9.2024 going by the date shown in the subject petitions. In other words, there is a delay of nearly seven months and 18 days. The reasons given by the DISCOMs for the avoidable delay are not justifiable. The DISCOMs were expected to submit their long-term load forecast, procurement plan, investment plan, etc., for the 5th and 6th control periods much before the FY 2024-25 to the Hon'ble Commission and got approval of the latter. The information required for the same should have been collected and used for the subject petitions also well in time. The need to analyse the financial impact in the DISCOMs due to Gruha Jyothi scheme of the GoTS arose only after it is notified by the latter, and, as such, that should not be a hindrance for preparing and submitting the subject petitions in time. Going by the said public notices, inviting objections, suggestions and comments from interested public on the subject petitions, etc., it is clear that the Hon'ble Commission has condoned the avoidable delay.
2. Though the DISCOMs have maintained that they faced "certain difficulties," obviously, other than those they have explained, for submitting the subject petitions in time, they have not explained the same. The DISCOMs have also maintained that they "shall obtain formal approval from State Government for filing of ARR & Tariff Proposals for FY 2023-24." Similarly, in obtaining "formal approval from

State Government” for filing the subject petitions, etc., for the FY 2024-25 and the 5th control period, there might have been considerable delay.

3. The very fact that the TGDISCOMs have requested the Hon’ble Commission “to request the Government of Telangana to fund the proposed revenue gap” for FY 2024-25 is indicative of the kind of evasive approach they are constrained to adopt, while getting formal approval of the GoTS for filing the subject petitions. Instead of getting a commitment from the GoTS for providing required subsidy to bridge the revenue gap as may be approved by the Commission for 2024-25, as a part and parcel of the formal approval they have got from the Government, that the DISCOMs are requesting the Commission to request the GoTS to provide required subsidy is nothing but shirking their responsibility of submitting their proposals as to how they would bridge the projected revenue gap. How much subsidy is to be provided and to which categories of the consumers is the responsibility and within the purview of discretion of the GoTS, not of the Hon’ble Commission.
4. Public notices are issued, calling for submission of suggestions, objections and views, on 20.9.2024, in another four petitions also – ARR and wheeling charges for distribution business of the TGDISCOMs for the 5th control period in petition Nos. OP 13 of 2024 and IA 12 of 2024 (TGNDPCL) AND op Nos. 12 of 2024 and IA No.11 of 2024 (TGSPDCL), and for transmission business of TGTRANSCO in OP No.14 of 2024 and for SLDC activity in OP No.15 of 2024 for the 5th control period. The time given for filing submissions on all the six petitions, including the subject petitions, is up to 11.10.2024, i.e., three weeks. Needless to say that the time given is not sufficient to study all the petitions, prepare meaningful and purposeful submissions and submit the same to the Commission. Public hearings on these petitions are scheduled on the 23rd and 24th October, 2024. In other words, from the last date of submissions, a period of 12 days is left for the licensees to send their responses to the objectors and the latter to study them and make further submissions before and during the public hearings. The DISCOMs have requested the Hon’ble Commission to approve their submissions to come into force from the first October, 2024. In other words, after completion of public hearings, the Hon’ble Commission will be left with just one week to prepare, finalise and issue its orders. Going by the experience over the years in issuing annual tariff orders, it is impossible for any Commission to prepare, finalise and issue its orders in the said six petitions within a week from the date of completion of public hearings, unless the drafts of orders are already prepared much before the public hearings and some incorporations are made thereafter. For the avoidable delay in submitting the said petitions by the licensees, it seems that the Hon’ble Commission is constrained to speed up the entire regulatory process within an unreasonably short period. Such a

hurry will have its adverse impact on the quality and comprehensiveness of submissions by objectors, replies by the licensees and preparation of orders by the Commission. Therefore, we request the Hon'ble Commission to extend time for filing objections, etc., replying to the same by the licensees and holding public hearings at least by 15 days. This is all the more important in view of the kind of crisis, financial and technical, the licensees find themselves in as has been revealed in the white paper on power sector in Telangana released by the new government, appointment of an inquiry Commission on issues pertaining to Yadadri and Bhadradi projects and PPA with Chattisgarh DISCOM for supply of power to TGDISCOMs, in addition to several other issues which are not covered in the white paper and terms of reference of the said inquiry Commission. All such issues have and will continue to have a bearing on the tariffs to be determined by the Commission and will have to be paid by the consumers at large and subsidy to be provided by the state government. All such issues need to be articulated in submissions to be made by knowledgeable and interested objectors and considered by the Hon'ble Commission for an effective regulatory outcome.

5. Both the DISCOMs have shown a total revenue gap of Rs.14244 crore - TGSPDCL Rs.5957 crore and TGNPDCL Rs.8287 crore. They have projected additional revenue through the proposed tariffs of Rs.1221 crore - SPDCL Rs.1028 crore and NPDCL Rs.193 crore. The Hon'ble Commission should have advised the DISCOMs and through them the GoTS to shelve their move to submit the said petitions belatedly and seeking issuance of its orders within an unreasonably short time, allowing them to come into force from 1st October, 2024, for a period of six months. When the Government is expected to provide a subsidy of Rs.13023 crore, going by the projections of the DISCOMs in the subject petitions, and subject to the revenue gap to be determined by the Commission, it should not be difficult for the new government to provide an additional subsidy of Rs.1221 crore for 2024-25 or less than that subject to the revenue gap to be determined by the Hon'ble Commission. There is a precedent, though unwarranted, of the TGDISCOMs not filing their ARR and tariff proposals for three consecutive financial years, with no regulatory remedy administered by the Hon'ble Commission. For another reason, shelving of filing the said petitions just for the second half of the FY 2024-25 is desirable. Though additional revenue of Rs.1221 crore is projected on account of the proposed tariffs for a period of six months, the additional revenue for a whole FY would be double that amount, i.e., Rs.2442 crore. In other words, for the FY 2025-26, a tariff hike will be in-built in advance in the tariff order for the second half of 2024-25, if the Commission approves the proposed tariffs, i.e., the DISCOMs will get an additional revenue of Rs.1221 crore during 2025-26, without showing a hike afresh, or even more, depending on increase in demand for the categories of consumers for whom

the new tariffs are proposed in the subject petitions. In other words, consumers are sought to be hoodwinked about the real financial impact of the said tariffs proposed for a period of six months.

6. For the reasons explained above, among others, I request the Hon'ble Commission to extend time for filing objections and suggestions in the said six petitions and for holding public hearings, if it is not inclined to give a piece of advice to the DISCOMs and GoTS to withdraw the petitions. If the Hon'ble Commission proceeds with the regulatory process in the said six petitions, I request it to permit me to make further submissions before the due date and during the public hearings after studying replies of the licensees to my submissions and preparing further submissions.

Thanking you,

Yours sincerely,

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Copies to :

1. Chief Engineer (RAC), TGSPDCL
2. Chief Engineer (IPC & RAC), TGNPDCL

To

The Secretary

Telangana Electricity Regulatory Commission

Sy. No.145-P, Vidyut Niyamtran Bhavan

Kalyan Nagar, GTS Colony, Hyderabad

September 27, 2024

Respected sir,

Sub : Submissions on the ARR and wheeling tariff proposals of TGSPDCL and TGNPDCL for their distribution business for the years 2024-25 to 2028-29 in OP No.12 of 2024 and IA No.11 of 2024 and OP No.13 of 2024 and IA No.12 of 2024, respectively.

With reference to the public notices dated 20.9.2024, am submitting the following points on the subject proposals of the TGDISCOMs for the consideration of the Hon'ble Commission:

1. As per the MYT Regulation No.2 of 2023, TGDISCOMs should have filed the subject petitions for the 5th control period before 2nd January, 2024. However, they have submitted the subject petitions on 19.9.2024 going by the date shown in the subject petitions. In other words, there is a delay of nearly seven months and 17 days. The reasons given by the DISCOMs for the avoidable delay are not justifiable. We request the Hon'ble Commission to consider the following points:

a) TG DISCOMs submitting their filings for distribution business for the 4th control period on 16.12.2019 and the Hon'ble Commission passed its orders on 29.4.2020 "after comprehensive public consultation process on the filings," it is explained in the subject petitions. Similarly, the DISCOMs should have submitted the subject petitions on or before 2.1.2024, as directed by the Hon'ble Commission in its letter dated 22.11.2023. The Hon'ble Commission rejected twice the requests of the DISOMs to extend time for filing their petitions for the 5th control period. Even while considering, in its interim order dated 15.3.2024, on interlocutory applications filed by the DISCOMs for continuation of existing retail supply tariffs for retail supply business, wheeling tariffs and wheeling losses for distribution business as applicable on 31.3.2024 pending disposal of the petitions finally, the Hon'ble Commission directed the DISCOMs to file their regular petitions for determination of ARR and retail supply tariffs, CSS, wheeling charges and losses for the 5th control period "immediately." However, going by the said public notices, inviting objections and suggestions from

Tariff Order accepting the Petition with such modifications or conditions as may be stipulated in that Order" (section 10.1(a)). This has been the position in the earlier regulations also and practice over the years. It is obvious that all these petitions are filed belatedly, deliberately, erroneously, incompletely, defying the applicable regulations and directions of the Hon'ble Commission and almost simultaneously with an intent to get the entire regulatory process stifled, without adequate time available to the objectors and the Hon'ble Commission, if orders are to be issued before retirement of the Hon'ble Chairman and Members.

2. The intent of the Hon'ble Commission might be to see that orders are given in the said petitions before retirement of the Hon'ble Chairman and Members so that new tariffs come into force, may be, from 1st November, 2004. But the reality is that, with the approvals given by the Commission permitting the DISCOMs to collect tariffs during 2024-25 as per the tariffs fixed by it for the FY 2023-24 till the petitions concerned are disposed of finally, they have been collecting tariffs accordingly so far, may be, with subsidy being released by GoTS every month, and will continue to do so till new tariffs come into force, if the present Commission gives orders required. New tariffs have to come into force with prospective effect, not with retrospective effect, as has been the standard practice over the years. In other words, if at all the Commission gives its orders in the said petitions before retirement of its present incumbents, the new tariffs will be applicable for a period of five months from 1st November, 2024. Even if orders are not given accordingly in extraordinary hurry, making the regulatory process a mere formality for the reasons explained above, the applicant utilities will have the option of claiming true-ups next year for the five-month period also, as they may do for the first seven-month period. The DISCOMs filed true-up claims accordingly for a period of seven years, including the three consecutive years for which they were not allowed by the then TRS government earlier to file their ARR and tariff proposals. Even if the Commission does not take up the eight petitions for consideration and give its orders, collection of tariffs, as already permitted by the Commission will continue till the end of 2024-25. Therefore, it is desirable that the Commission leave the regulatory process to be conducted in the said eight petitions by successors of its present incumbents. MYT regulation, 2023, says that the Commission shall "reject the Petition for reasons to be recorded in writing if such Petition is not in accordance with the provisions of the Act and the rules and Regulations made thereunder or any other provisions of law, after giving the Petitioner a reasonable opportunity of being heard." Here, it is not rejection of the said petitions, but postponement of the regulatory process to be taken up by the new Commission, for the reasons that the petitions are filed belatedly, defying regulations and directions

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To

The Secretary

Telangana Electricity Regulatory Commission

Sy. No.145-P, Vidyut Niyantaran Bhavan

Kalyan Nagar, GTS Colony, Hyderabad

October 8, 2024

Respected sir,

Sub : Submissions in OP No.12 of 2024 and IA No.11 of 2024 of TGSPDCL and OP No.13 of 2024 and IA No.12 of 2-24 of TGNPDCL relating to their distribution business ARR and wheeling tariffs for the 5th control period from 2024-25 to 2028-29

With reference to the public notices dated 20.9.2024, inviting objections, suggestions and views on the subject petitions, we are submitting the following points for the consideration of the Hon'ble Commission:

1. In response to the query of the Hon'ble Commission on delay in filing the subject petitions, the reasons given by the DISCOMs are untenable. In response to my requests made in my preliminary submissions dated 23.9.2024, the Hon'ble Commission has conveyed in its reply dated 27.9.2024 that it "is not inclined to extend the last date for submission of objections/comments on the filings of Licensees." It has further stated that "in addition to submission of objections/comments, the stakeholders can also submit their objections/comments in the scheduled public hearings. The Commission recognizes the contribution of the submissions of knowledgeable and interested stakeholders and the same will be considered." Since the Hon'ble Commission has not responded to the reasons given by us in support of our requests, we are constrained to come to the conclusion that it is inclined to complete the entire regulatory process in eight petitions within the unreasonably short period of time and issue its orders and that it has condoned the delay in filing the subject petitions. As such, we are making submissions on the petitions to the extent possible in view of the constraints of time given.

2. TGDISCOMs have submitted the following projections for their distribution business for the 5th control period:

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|-------------|---------|---------|---------|---------|---------|
| SPDCL: | | | | | |
| Total capex | 4,794 | 5,785 | 7,194 | 7,180 | 7,504 |

| | | | | | |
|---------------------------------|-------|-------|-------|-------|--------|
| ARR (Rs.crore) | 5,663 | 6,525 | 8,415 | 9,750 | 11,166 |
| Contracted capacity (MVA) | 3,788 | 3,928 | 4,074 | 4,227 | 4,386 |
| Wheeling charges (Rs/kVA/month) | 440 | 475 | 575 | 623 | 668 |
| NPDCL: | | | | | |
| Total capex | 1,584 | 1,947 | 2,887 | 2,667 | 2,731 |
| Capex (smart meters) | 356 | 534 | 1,246 | 820 | 604 |
| ARR | 3,714 | 4,167 | 5,272 | 5,922 | 6,608 |
| Contracted capacity | 3,788 | 3,928 | 4,074 | 4,227 | 4,386 |
| Wheeling charges | 817 | 884 | 1,078 | 1,168 | 1,255 |

For NPDCL, total capex includes capex for smart meters.

Both SPDCL and NPDCL have projected availability of surplus power, in their ARR submissions for retail supply business for the 5th control period, as given hereunder (in MU):

| | | | | | |
|-------|--------|--------|--------|--------|--------|
| SPDCL | 18,232 | 30,635 | 27,106 | 25,195 | 19,315 |
| NPDCL | 5,135 | 12,307 | 12,668 | 13,381 | 12,364 |
| Total | 23,367 | 42,932 | 39,774 | 38,576 | 31,679 |

- As per the capital expenditure projected by the DISCOMs, as approved in the distribution and resource plans for the 5th control period by the Commission, compared to SPDCL's projections, the contracted capacity and capex projections of NPDCL are very much lower. However, wheeling tariffs proposed by NPDCL are almost double the projections of SPDCL. Even if higher agricultural consumption of NPDCL compared to that of SPDCL is taken into consideration, it is to be examined in comparison with capex proposed by NPDCL whether such higher wheeling charges proposed by NPDCL are justified.
- In view of availability of abnormal quantum of surplus power during the 5th control period, as projected by the DISCOMs, it is to be clarified whether the projected surplus power also is taken into account for the contracted capacity projected by

them. If so, addition of distribution network capacity and projected capital expenditure would be unwarranted, as such a capacity would become idle.

5. In response to the query of the Hon'ble Commission, both the DISCOMs have agreed to recalculate their requirements for 90% of the capacities, as they have segregated assets for wheeling business and retail supply business in the ratio of 90:10, respectively. The Hon'ble Commission is expected to consider the revised projections submitted by the DISCOMs for their distribution business for the 5th control period subjecting them to prudence check. As such, their projected ARR and wheeling charges should come down.
6. The DISCOMs have proposed aggregate distribution losses and charges irrespective of the voltage level, i.e., 33 kv, 11 kv and LT, on par with inter and intra-state transmission system to mitigate financial losses and requested the Hon'ble Commission to approve the same. I request the Hon'ble Commission to examine the following points, among others:
 - a) Determination of aggregate distribution losses and charges irrespective of the voltage levels would increase burden of consumers drawing power at higher KV level. In other words, consumers at higher levels of KV will have to cross subsidise consumers at lower KV levels, in addition to the cross subsidy, if any, they are paying already as a part and parcel of the tariffs being determined by the Commission.
 - b) It is an accepted principle, reality and standard practice that distribution losses and distribution costs at different levels of KV are different. That is the reason why successive Commissions have been determining different wheeling charges at different levels of KV.
 - c) If the principle of uniformity proposed by the DISCOMs is acceptable and accepted, then, the same principle should be implemented for working out cost of service to all categories of consumers in the entire state, irrespective of the level of KV at which they are being served.
 - d) The contention of the DISCOMs that notification dated 17th January, 2024, on formula for computation of wheeling charges, with the proviso that the appropriate Commission may determine the wheeling charges at different voltage levels separately, is only a suggestion by MoP, GoI, and not mandatory is untenable. The very fact that the MoP, GoI, is constrained to issue the said notification, as a matter of correction to its notification dated 10.1.2024, within

one week, itself is an admission that its first notification is deficient and does not recognize the authority of the Hon'ble Commission.

- e) Section 79.2 of Regulation No.2 of 2023 of TGERC says: "provided further that the Wheeling Charges shall be determined separately for LT voltage, 11 kv voltage, and 33 kv voltage, as applicable." The Commission is expected to follow its Regulation, unless it is amended.
7. In support of their proposal for uniform wheeling charges, the DISCOMs have contended that
- a) The roof-top solar installations are increasing at a rapid pace under Net Metering/Gross Metering/PM Surya Ghar schemes launched by GoI. As such when the consumer loads under such metering are low, the surplus power generation will flow in reverse direction to 11 kv system.
- b) B) In PM-KUSUM Comp-'C', the solar power plants of capacities 0.5 to 2 MW are coming up in 11 kv system at rapid pace. During non-agriculture loads periods, the solar power generated will flow in reverse direction to 33 kv system.
- c) In PM-KUSM Comp-'B', Grid tied Solar pump sets, during the periods of non-operation of solar pump sets after yielding crops, the solar power generated will flow in reverse direction to 33 kv system.
- d) Reduction in the cost of the Solar Panels and rules and regulations framed by the Government are encouraging the installation of Solar power plants and is increasing rapidly and there is a possibility of reverse flow of the power from 11kv to 33 kv system.
- e) Hybrid Solar and Wind system are coming up leading to continuous generation of power and there is a possibility of Reverse flow of power during the periods of Low-loads.
- f) Battery Energy Storage System may come up under LT and 11 kv systems and there is a possibility of reverse flow of power during the periods of Low-loads from 11 kv to 33 kv system.
- g) Under the above stated conditions of distributed power generation scenarios, the Distribution Losses will increase and the Licensee will always face High Energy Losses in the Network burdening with high Network Cost.

These are some of the issues, and there are many more problems, both technical and financial, with renewable energy, connected with intermittence and integration of RE with the grid. We had made elaborate submissions on the problems associated with RE, in our submissions made earlier on the proposals of RPPO made by the Commission and in our other submissions made earlier. Governments and the DISCOMs are not concerned with such problems and additional burdens, when long-term PPAs are entered into with developers and middle-man public utilities of the GoI like SECI and NRVNL for purchase of RE indiscriminately, and they extol the virtues of RE, international commitments given by Prime Minister Modi on adding RE, need for environmental protection, etc. What has constantly been ignored is the need for maintaining equilibrium to the extent technically practicable between demand curve and power mix, when entering into long-term PPAs and regulatory consents to the same are being given. When, as a result of implementing the policies of the GoI, problems with RE are arising, GoTS and its DISCOMs should demand the GoI to compensate them for the same, instead of penalizing the consumers by imposing avoidable additional burdens on them.

8. DISCOMs should have submitted details of the problems that have been faced as a result of purchasing unwarranted RE under long-term PPAs during the 4th control period like backing down thermal power and paying fixed charges for the same in order to purchase high-cost and must-run RE and purchasing power at higher costs in the market to meet peak deficit as RE cannot meet it.
9. GoTS, its DISCOMs and the Commission are expected to take a holistic and balanced view when entering into, or giving consents to, PPAs with new power plants, especially RE units, in order to ensure balance between demand curve and power mix to the extent technically practicable. Such an approach is imperative when targets under RPPO are determined. Interests of the state should be important and outweigh the declarations or notifications of the GoI. Availability of abnormal quantum of surplus power, unwarranted quantum of RE and the financial and technical problems associated with them are indicative of the failures of commission and omission in this regard on the part of the powers-that-be, as experience over the years has been proving.
10. DISCOMs should have submitted consolidated and comprehensive account of their distribution business during the 4th control, giving details of expansion of network, capital cost incurred, results achieved vis a vis targets, whether they exceeded expenditure approved by the Commission, surplus power backed down and fixed charges paid therefor, etc. Similarly, they should have submitted details of their

achievements or otherwise of various targets under other capex and results thereof. Also, the DISCOMs should have submitted consolidated details of their claims for true-up or true-down for the 4th control period. Examination of all these would help examine and determine requirements for the 5th control period and issuing MYT order by the Hon'ble Commission in a realistic manner. This is all the more necessary, as, compared to growth in contracted capacity projected for the 5th control period, growth in expenditures, ARR and wheeling charges is relatively higher. So is the case, when all these factors projected are compared with those of the last year of the 4th control period, i.e., 2023-24.

11. For smart meters, TGNPDCL has projected an expenditure of Rs.3560 crore for the 5th control period. TGSPDCL has not shown it separately. The Hon'ble Commission has already directed the DISCOMs to take steps for installation of prepaid smart meters with latest technology for "all interested consumers." At the same time, the Commission also directed the DISCOMs to submit "a time bound action plan for replacement of existing meters with prepaid smart meters with two way communication in the interest of revenue realisation of the DISCOMs." If prepaid meters are to be installed for "all interested consumers," it is left to the discretion of the consumers. Then, where is the need for a time-bound action plan for replacement of existing meters with prepaid smart meters? How many consumers have consented for installation of pre-paid meters? I once again request the Hon'ble Commission to reexamine the following points, among others:
 - a) This move is to be seen in the background of the so-called reforms being imposed on the states by the Modi government for privatising power sector, and in conjunction especially with privatisation of power distribution and implementation of the direct benefit transfer (DBT) scheme. Implementation of RDSS, including installation of pre-paid meters, is to benefit the private operators, who will be permitted to take up power distribution in areas of their choice, as proposed by the GoI.
 - b) It is obvious that, the purpose of installing pre-paid meters is to force the consumers of power to pay in advance for power to be consumed by them, contrary to the standard practice over the decades of paying power bills monthly/bi-monthly for the power consumed by them. What is wrong with the present post-paid arrangement and what is the benefit and to whom with pre-paid arrangement under the proposed smart meters is left unexplained by its sponsors.
 - c) As proposed by the GoI, private operators will be permitted to use the existing transmission and distribution networks of the DISCOMs of the government, paying some nominal rentals for carrying on their distribution business. In other words, they need not invest the amounts required for establishing their own distribution network, make arrangements for its maintenance, etc.

- d) Allowing private operators to use distribution network of the DISCOMs or rather, forcing the DISCOMs to allow private operators to use their network on lease, with DISCOMs themselves maintaining the network, is nothing but forcing the latter to lose a considerable part of their business, especially cross-subsidising component, to private operators, who get the opportunity to cherry-picking. Will the GoI apply this Tuglaquian approach to allow utilisation of such networks of private companies in this manner, for example, utilising the network of private telecom companies by others?
- e) The protagonists of pre-paid meters are arguing that pre-paid arrangement is there for cell phones. Then, why not similar arrangement for power consumption also, they ask. First, there is post-paid arrangement for cell phones and landlines. Second, under pre-paid arrangement for a specific period, there is no limit on number of calls that can be made. In the case of power consumption, consumers have to pay for the entire power they consume in a month; they are not allowed to consume any number of units of power during a specified period, pre-paying a specified amount.
- f) The DISCOMs have a grace period of one month to pay bills to generators/suppliers of power for the power supplied by them and even rebate if they pay before the grace period. Under the existing arrangement, consumers are being given a period of 14 days from the date of issuing the bill for paying their bills for power consumed by them in a month. If payment of monthly bill is delayed, exceeding the due date, penalty is being collected by the DISCOMs, besides disconnecting the service. Moreover, all the permissible expenditure and return on equity for supplying power to consumers from the point of generation to end point is being passed through in the form of tariffs to be paid by the consumers. When such is the case, why should the consumers be forced to pay in advance for power to be consumed by them under the arrangement of pre-paid meters?
- g) As per applicable Regulation, "security deposit amount shall be two months charges in case of monthly billing and 3 months charges for bi-monthly billing." In addition to collecting such a security deposit from the consumers, the DISCOMs also are collecting additional security deposit whenever the consumers exceed their contracted load. Then why should the consumers be forced to pay in advance for power to be consumed by them under the arrangement of pre-paid meters?
- h) Payment in advance for power to be consumed by the consumers is nothing but providing investment for private distribution company to purchase of power. Private distribution companies need not take loans for their working capital and they can retain the amount paid in advance by the consumers and use as they like till they have to pay for power purchased by them from generators/suppliers. In other words, private operators of distribution need not invest any amounts for developing and maintaining distribution network and for purchasing power. Arrangement of pre-paid meters is intended for bestowing this undue benefit to private operators.

- i) The works proposed to be taken up under RDSS need to be, and are being, taken up by the DISCOMs as a part and parcel of expanding, strengthening and maintaining their distribution network. For that no conditionalities, as imposed under RDSS, are required. The grant component under RDSS is a ruse to impose conditionalities like installation of pre-paid meters to ensure undue benefits to private operators of distribution of power.
- j) Whatever money the DISCOMs spend for purchasing and installing pre-paid meters is nothing but squandering public money, whether it is collected from the consumers concerned or spent from the grant under RDSS. The consumers have already spent their money for their existing meters. Forcing them to pay for pre-paid meters is nothing but imposing additional burden on them without any benefit to them.
- k) The scheme of pre-paid meters benefits their manufacturers. Experience in power sector, as elsewhere in other sectors, shows that terms and conditions of bidding can be manipulated to select bidders of their choice by the powers-that-be. Bidding procedures and terms and conditions issued by the GoI have been found to be wanting in ensuring transparency and fair play, going by the way crony capitalism is being promoted and pampered. It is reported that crony capitalists, who have been promoted and pampered by the GoI, have already entered into manufacturing of pre-paid meters.
- l) There will be practical problems to consumers for paying in advance for power to be consumed by them under the system of pre-paid meters. How much amount and how many times they have to pay in a month, keeping track of their consumption recorded in the pre-paid meter to avoid disconnection and mode of such payment will be problematic to the consumers.
- m) Under smart pre-paid meter, if a consumer does not pay after the existing balance exhausts, his service connection will be disconnected automatically. If a consumer does not pay power bill before due date under the existing post-paid arrangement, his service will be disconnected after due date. The DISCOMs are unable to disconnect service connections of offices of the government and its instrumentalities and local bodies, whatever be the reasons. Even under pre-paid meter system, there is no guarantee that the DISCOMs would not come under pressure not to disconnect services of offices of the government, its instrumentalities and local bodies for their default in paying power bills. It is ironical that, when the GoTS is failing in getting power bills paid by its offices, its instrumentalities and local bodies in time and itself failing in paying the committed subsidy to the DISCOMs in time, it is decided to install pre-paid meters to service connections of power consumers.
- n) When the GoTS is vehemently and rightly opposing the direction of the GoI for installing meters to all agricultural service connections, why are the DISCOMs

moving in the direction of installing pre-paid smart meters to non-agricultural service connections?

- o) Neither the governments, nor the Central Electricity Authority, nor the DISCOMs, nor ERCs have any power to direct installation of pre-paid meters, without willingness of the consumers concerned to take the same. Section 47(5) of the Electricity Act, 2003, says, "A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter." Directions or orders of the authorities cannot override the applicable law. Has the Hon'ble Commission given its approval to the DISCOMs for procurement of pre-paid meters, and, if so, with what conditions? If consumers do not opt for pre-paid meters, what will the DISCOMs do with the pre-paid meters purchased or to be purchased by them?
- p) We once again request the Hon'ble Commission to examine the above-mentioned submissions, among others, and responses of the DISCOMs thereto and direct them not to proceed with implementation of installation of pre-paid meters to service connections of consumers of power in the state, without the consumers opting for the same.

12. I request the Commission to mention who made what submissions in its orders. When divergent views on the same issue are submitted by different objectors, say purchase of RE, installation of smart meters, simply mentioning that objectors have made the submissions does not convey who submitted which views.

13. I request the Hon'ble Commission to provide me an opportunity to make further submissions before and during the public hearing on the subject issues, after receiving and studying the responses of the DISCOMs to my submissions.

Thanking you,

Yours sincerely,

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