

TGERC HYDERABAD INWARD

- 7 OCT 2024

No.

2760208

Signature

क्षेत्र मध्य रेलवे SOUTH CENTRAL RAILWAY



प्रधान कार्यालय / Headquarters Office,
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स.नो.ई E.19/5/1/3/TSERC//Vol I

दिनांक Date:- 07.10.2024

The Secretary,
Telangana State Electricity Regulatory Commission,
Vidyut Niyamtran Bhavan,
Sy.No.145-P, G.T.S. Colony, Kalyan Nagar,
HYDERABAD-500 045.

Sub: Representation against to the proposed tariff for HT-V(A) -Railway Traction category of S.C Railways.

Ref: Public notice issued in the newspaper Dated 20.09.2024.

DISCOMs of Telangana have issued public notice in newspaper on 20-09-2024 for the proposed retail supply tariff for the year 2024-25.

The objections/representation against the proposed retail tariff of HT-V (A) -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 (IPC & RAC), TSSPDCL and CGM (IPC & RAC) TSNPDCL.

Apart from this representation, South Central Railway is also requested to be heard in person during public hearing scheduled on 23.10.2024 at TGERC office.

Kindly acknowledge receipt.

Encl- Copy of Objections/Representation on proposed HT-V(A) Tariff proposal.

JD (TS)
Jaland
Shah

(K. THOURY)
CHIEF ELECTRICAL DISTRIBUTION ENGINEER
SOUTH CENTRAL RAILWAY
SECUNDERABAD

- C/-
1. Chief General Manager (IPC & RAC), TSSPDCL, Corporate Office, Central Secretariat, Khairtabad, Hyderabad, Telangana 500022.
 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 TG DISCOMS FOR
H.T. CATEGORY-V (A) (RAILWAY TRACTION) FOR THE YEAR 2024-25
ON BEHALF OF SOUTH CENTRAL RAILWAY.**

- 1.0** Indian Railways is a vital and largest transport organization of Government of India, have vast network for surface transport accessible to all sections of society and play important roles in economic and financial growth of the country. 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. If the fare for passengers & Goods are increased to offset fuel (energy) cost, it will add to overall inflation.
- 2.0** South Central Railway avails traction power through 28 **TSSs** at 132 kV Traction sub-stations in the state of Telangana. The total **connected load is 396 MVA** and total consumption of Railway traction is 1177 **million units** projected for the year 2024-25 and paying a substantial amount of **Rs. 820 Crores** to DISCOMs in Telangana state. The increase in proposed tariff for 2024-25 by **Rs. 1.34 per unit will result in to additional burden of Rs. 80 Crores from October -2024 to March-2025.**
- 3.0** The Railways is a bulk consumer and pay major revenues to TGDISCOMs. Hence, the grievances of Railways are to be considered while fixing the tariff for HT-V (A) category.

4.0 Government of India and state governments have taken policy decisions to encourage public/private electric road vehicles for decarbonization of transport system to reduce carbon footprint and protect the environment. Government of India (Ministry of Railways) took policy decision to electrify its entire existing Railway network over Indian Railways on fast-track mode to enrich carbon free transportation.

The hike in electricity tariff of Railway Traction will affect the operating cost of Railways, which may result in high freight charges, commodity prices and thereby rise in inflation and burdening common man and public of all sectors. Railways is a labor-intensive department, due to rise in operating cost of Indian Railways is drastically affecting the employment generation in the organization.

5.0 Cost of Service for Railway Traction:

The proposed Cost of service for Railway Traction is as follows:

Discom	Cost of Service Rs/KWH
TGSPDCL	5.43
TGNPDCL	5.24
Average	5.335

The comparison of cost of service and proposed tariff for Railway traction HT-V(A) category is given below.

Year	COS of Discoms	Proposed Traction tariff	% Variation
2024-25	5.335/KWH	8.23/KVAH	54%

From above, it may be seen that the traction tariff is higher by 54% over cost of service which is against the provisions of National Tariff policy.

The COS is being calculated in terms of KWh and energy is being charged for Railway traction in terms of KVAh.

6.0 National Tariff Policy :

National tariff policy para 8.3 (2) states that "for achieving the objective that the tariff progressively reflects the cost of supply of electricity, the appropriate commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."

6.1 The tariffs were to be fixed within $\pm 20\%$ of the average cost of service. From table in Para 5.0, it is noted that % difference between the average cost of service of the two DISCOMs and the traction tariff proposed is 54% more, which is in contravention to the National Tariff Policy.

7.0 Traction Tariff Proposed for 2024-25 :

Year	Demand Charges Rs/ KVA	Energy Charges Rs/ KVAh	Average unit cost Rs/KVAH	Amount & % of Increase
2023-24 (Present)	475	5.05	6.89	Rs. 1.34 & 19.45%
2024-25 (Proposed)	500 (5.26% increase)	6.25 (23.76% increase)	8.23 (19.45% increase)	

The increase in railway traction tariff of Rs. 1.34/Unit (19.45%) is very high, highly unreasonable and unjustified.

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

- **Tariff Schedule of Hyderabad Metro Rail (HMR) and Indian Railways:**

Consumer	Existing Tariff			Proposed Tariff		
	Demand Charges Rs/KVA	Energy Charges Rs/KVAh	Average unit rate Rs/KVAh	Demand Charges Rs/KVA	Energy Charges Rs/KVAh	Average unit rate Rs/KVAh
HMR-HT-V(B)	475	4.95	6.84	500	4.95	6.93
Railways HT-V(A)	475	5.05	6.93	500	6.25	8.23
% increase over HMR			1.32			18.76

It is evident from the preceding data that there is already a 1.32% more difference in the current tariff between HMR and Railways. **Further, the railway tariff in the proposed tariff is about 18.76% higher than the HMR. The 18.76% tariff difference and biases when compared with HMR are completely discriminatory, unreasonable and unjustified.** Further, it is worth to mention that SC Railways operates train services around the clock both during the day and at night, contributing to maintain and increase grid stability during off-peak load hours, whereas HMR operates only with a fixed load during the day and no load during the night.

8.0 Electrification of more sections in Telangana:

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 Telangana state.

Due to reasonable traction tariff for the last two years many Electrification projects could be justified and successfully completed in Telangana State. Further, many new electrification projects are still under process and which can be sanctioned only if the traction tariff remains reasonable.

8.1 Electrification projects recently completed:

Electrification Projects completed in last 3 yrs.: 953 Kms

- I. Peddapalli - Nizamabad: 178 Km
- II. Falaknuma- Mahbubnagar Doubling with Electrification:98 Km.
- III. Malkajgiri - Medchal doubling with Electrification: 24 Kms.
- IV. Mahbubnagar - Kurnool Town: 128 Km.
- V. Medchal - Dharmabad : 166 Km.
- VI. Devarakhadra - Krishna: 65 Km
- VII. Janakampet - Bodhan : 27 Km.
- VIII. Moulali - Ghatkesar (Quadruppling): 24 Km.
- IX. Kazipet - Ballaharsha (Tripling): 164 Km.
- x. Vikarabad - Matakunta: 79 Km.

8.2 Electrification projects under progress: 157 Km.

- i. Kazipet - Balharshah (Tripling): 40 Km
- ii. Kazipet - Vijayawada (Tripling): 100 Km
- iii. Akanapet - Medak: 17 Km

8.3 Electrification projects sanctioned: 76 Km.

- i. Manoharabad - Siddipet: 76 RKM

8.4 Electrification projects under proposal stage and yet to be sanctioned: 696 Km.

- i. Siddipet - Kothapalli: 73 Km.
- ii. Sattupalli - Kovvur:95 Km.
- iii. Manugur - Ramagundam:200 Km.
- iv. Macherla - Nalgonda: 92 Km.
- v. Kondapalli - Kothagudem: 125 Km.
- vi. Kazipet - Ghatkesar: 110 Km.

Above New Line project sections are planned to be electrified in Telangana state. Any increase in traction tariff will affect badly and not viable the upcoming electrification projects and slow down the existing projects also in Telangana state and effects the development of infrastructure works in the state of Telangana.

Further, Railway Board have chosen Railway network work over Telangana region to upgrade the traction system from existing 1x25 KV system to 2x25 KV system to enhance existing carrying capacity to realize Mission 3000 MT master plan of PMO office by which connecting loads and demand will be increased resulting in increase in demand and energy consumption.

9.0 Incentive on Prompt/early payment:

Railways are prompt in payment of energy bills to the DISCOMs and for these, Railways certainly deserve some rebate/incentive. Reasonable rebate/incentive for prompt payment be granted as done in Odisha state. In Odisha, Railways entitled to a rebate of 1% (one percent) of the amount of monthly bill (excluding all arrears).

10.0 Off peak time loads for Railway Traction:

It is to mention that Railway traction is power intensive and loads are for passenger & goods train services which are run round the clock. There is no distinction of peak to non-peak hours. Thus Railways are improving base loads of DISCOMs and supporting the grid stability. Apart from this, Railways is maintaining higher power factor.

11.0 Railways Planning to avail traction power through open access.

- It is brought to the kind notice of the Hon'ble commission; Indian Railways are already availing power through "Open access" in 12

states. The "Deemed Distribution Licensee" status of Railways is under sub-judice at Hon'ble Supreme Court. However, Hon'ble Supreme Court in its interim order dated 06.05.2024, clarified that open access for Railways shall not be denied and cross subsidy and additional surcharges are not applicable to be paid till final order of the Hon'ble Supreme Court.

- As per Section 39, 2 (d) Indian Electricity Act-2003, STU to provide non-discriminatory open access to its transmission system for use by any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission.

12.0 Railways prayed:

- Due to kind consideration of Hon' ble commission the traction tariff has been fixed for Railway traction at par with Open access tariff in Telangana state for the last two years. In view of reasonable traction tariff most of the routes in Telangana state got sanctioned for electrification. Railway Electrification is environment friendly, energy efficient and reduces carbon footprint, which further reduces the import burden of high-speed diesel.
- Proposed increase in traction tariff for Railways will affect all the ongoing electrification projects which are under progress in the state of Telangana and slow down the existing projects. This will have a detrimental effect on the electrification projects and other infrastructure projects in the state of Telangana.
- In this circumstance, proposed tariff by TG Discoms equivalent charges of Rs 8.23 /KVAh (with average load factor 35%) is very high, unreasonable and unjustified. Higher tariff compared to "open access" and HMR tariff, over burdens the bulk consumer like Railways.

13.0 Conclusion:

Railway traction provides base load, maintained high power factor and save imported precious oil, apart from speedy, energy efficient and environmentally friendly public transport.

Encouragement for new electrified sections for development of infrastructure in the state of Telangana and also act as growth engine for the economy of country largely.

Keeping the above in view, Hon'ble commission is requested to consider and it is prayed that,

- a) The tariff under category HT-V (A) Railway traction is to be retained for the above-mentioned reasons as per the provisions of National Tariff Policy, to encourage electrification projects in Telangana state.***
- b) Railway Traction Tariff in line with HMR, may be considered to avoid disparity, discrimination and injustice between the two public transport systems.***
- c) Railway Traction tariff reduction may be considered by exempting Railways from the burden of cross subsidy surcharge by virtue of provisions contained in the National Tariff Policy issued by Ministry of Power on 28th January -2016.***

- d) *To give impetus to electrification of Railway network, it is requested to consider the reasonable rebate/ incentives for prompt payment of monthly energy bills.*
- e) *Hon'ble Commission is pleaded to consider Railways objections and requested to retain the existing tariff schedule for Railway Traction or may be considered on par with HMR, as Railways is a bulk consumer and prompt payer of energy bills.*


(K. THOURYA)

**Chief Electrical Distribution Engineer
South Central Railway
Secunderabad.**