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BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION: HYDERABAD

CASE NO.

FILE NO.

IN THE MATTER OF:

Submission of objections and suggestions on ARR filings and tariff proposals of two power distribution companies for the year 2015-16

BETWEEN

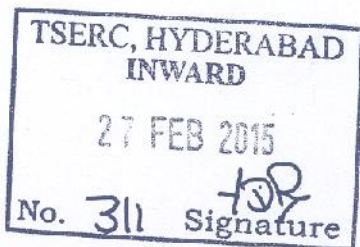
M. Venugopala Rao

AND

TSSPDCL AND TSNPDCL

I, M. Venugopala Rao, s/o M. Venkatrayudu, Senior journalist and Convener of Centre for Power Studies, aged 63 years, resident of H.No. 7-1-408 to 413, Flat No.203, Sri Sai Darsan Residency, Balkampet Road, Ameerpet, Hyderabad – 500 016, do hereby solemnly affirm and confirm that the contents in the affidavit filed by me are true to the best of my knowledge and belief.

I request the Hon'ble Commission to provide me an opportunity to make a presentation in person during the public hearings on ARR and tariff proposals of the two Discoms.



M. Venugopala Rao
DEPONENT

Hyderabad,

27.2.2015.

Statement of suggestions and objections

1. Name & full address of objector :

M. Venugopala Rao
Senior Journalist &
Convener, Centre for Power Studies
H.No.7-1-408 to 413, F 203
Balkampet Road, Ameerpet
Hyderabad - 500 016

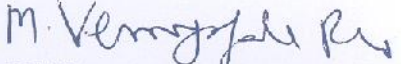
2. Brief details of objections and suggestions :

Objections : To costs of power purchase, ARR, revenue gap and tariff hike proposals of the Discoms, to the neo-liberal policy approaches of the Central and State Governments, to the unwarranted and surplus short-term power purchases with attendant burdens on consumers and purchase of imported coal through contrived bidding, etc.

Suggestions : To reject the tariff hike proposals of the Discoms. Strengthening public sector utilities like AP Genco to take up and implement proposed and new projects in time by providing necessary budgetary allocation for meeting equity, allocating and ensuring timely supply of adequate quantum of fuels required by them, and their implementation with least possible capital cost; taking concerted measures in a planned manner to ensure growth in production of fuels like domestic coal and natural gas, fixing prices of fuels in a rational manner based on prudent capital and operating costs and reasonable profit; clearing dues, if any, to the Discoms by the State government for additional power purchased at its behest earlier; improving efficiency of government's power utilities, effective measures for further reducing transmission and distribution losses, curbing theft and pilferage, collecting dues from consumers; implementing energy conservation measures in a phased manner based on cost-benefit analysis; avoiding manipulative terms and conditions in the power purchase agreements with private power projects; paying special attention to research and development to tap sources of renewable energy in an economical way gradually and fixing their tariffs in a prudent way are some of the main measures required to ensure adequate supply of power at affordable tariffs to meet growing demand of consumers.

3. Whether copy of objections enclosed : Yes

4. Whether the objector wants to be heard in person: Yes


M. Venugopala Rao

To

The Secretary

Telangana State Electricity Regulatory Commission

D.No.11-4-660, 5th floor, Singareni Bhavan

Red Hills, Hyderabad – 500 004

February 27, 2015

Respected Sir,

Sub : Submission of suggestions and objections on proposals of ARR and tariff revision of TSSPDCL and TSNPDCL for the year 2015-16

With reference to the advertisement dated 11.2.2015, seeking suggestions and objections from interested public on the subject issue, I am submitting the following points for the consideration of the Hon'ble Commission:

1.TARIFF HIKE CAN BE AVOIDED : TSSPDCL and TSNPDCL have proposed a revenue requirement of Rs.26,474 crores, with a projected revenue from current tariffs of Rs.18,909 crore and a revenue deficit of Rs.7565 crore, for the year 2015-16. We welcome the proposals of the Discoms to continue free power supply to LT agriculture and not to increase tariff for LT domestic consumers with a monthly consumption of less than 100 units and to some other categories of LT V (A) (agriculture with DSM measures), LT V (B) (agriculture without DSM measures) and LT V(C) (salt farming units and rural horticulture nurseries). We also welcome the implied support of subsidy from the State Government to the tune of Rs.6476 crores to bridge the projected revenue gap substantially, though the Discoms have not made it explicit and categorical in their submissions. Though the Discoms have not made it clear how they propose to bridge the projected revenue gap, it can be safely presumed with a sufficient degree of approximation to reality that the Discoms have submitted their much delayed proposals with prior approval of the State Government and as such with an implied commitment from the Government to provide required subsidy to bridge the remaining revenue gap, though the same is not publicly announced either by the Discoms or by the Government. A close perusal of the proposals of the Discoms makes it abundantly clear that the proposed tariff hike to different categories of consumers to the tune of Rs.1089 crore (5.76%) can be avoided by taking prudent decisions. Moreover, if the neo-liberal policies being followed by the Central and State Governments are reversed with rational modifications to protect larger public interest, the existing power tariffs or requirement of subsidy from the Government or both can be reduced.

2.ARR & TARIFF PROPOSALS :

TSSPDCL has projected aggregate revenue requirement of Rs.18874.82 crore, seeking approval for Rs.141 crore towards interest component of loans taken under FRP covering accumulated losses up to 2012-13, true-down of Rs.161.74 crore in ARR of retail business for 2013-14 and approval of Rs.1283.56 crore, including carrying cost of Rs.132 crores (11.5% for total revenue gap from 2014-15) for 2014-15 to bridge revenue gap, and a tariff hike of Rs.825.61 crore with implied subsidy of Rs.2687.18 from the Government of Telangana to bridge the projected revenue gap of Rs.3512.79 crore for 2015-16.

TSNPDCL has projected aggregate revenue requirement of Rs.7598.95 Crore, showing true-up of Rs.48.85 crore, including carrying cost, to bridge revenue gap for 2013-14 and seeking true up of Rs.293 crore, including carrying cost of Rs.31 crore, for 2014-15 to bridge revenue gap, and a tariff hike of Rs.263.07 crore with implied subsidy of Rs.3789.05 crore from Government of Telangana to bridge the projected revenue gap of Rs.4052.12 crore for 2015-16.

Both the Discoms have requested the Commission to allow them to claim the true-up for distribution business for 2013-14 in the next year retail supply filing.

Proposing to continue supply of power for 7 hours per day to agriculture and to meet demand of all other categories of consumers during 2015-16, TSSPDCL and TSNPDCL put together have projected energy requirement of 52,100 million units, with energy availability of 52,941 MU under long-term and medium-term sources and an estimated surplus of 553 MU (841 MU). In addition to that, the Discoms have projected energy availability of 7598 MU from short-term sources. The projected total surplus works out to 8151 MU (8439 MU). The average power purchase cost at State level is projected to be Rs.3.84 per unit for 2015-16.

3.FINANCIAL RESTRUCTURE PLAN : The Discoms have shown accumulated losses as on 31st March, 2013 of Rs.6455.68 crore for TSSPDCL and Rs.3512 crore for TSNPDCL. Under the financial restructure plan formulated and approved by Govt for the Discoms, the State Government has issued bonds to the extent of Rs.4060.73 crore (around 40% of total losses) - Rs.2316.69 crore for TSSPDCL and Rs.1744.04 crore for TSNPDCL. The Discoms have claimed a balance loss of Rs.4138.99 crore for TSSPDCL and Rs.1767.96 crore for TSNPDCL. They have further explained that the key components of these losses are "unapproved portion of Fuel Surcharge Adjustment (FSA) for the year(s) 2009-10 to 2011-12, (as) the FSA cases are in Courts and Govt. receivable over and above Rs.4553.85 Crs which is agreed by Govt as final settlement." Against these losses, TSSPDCL and TSNPDCL structured short-term loans to the extent of Rs.1225 crore each. The Discoms have also explained that "as per the terms of the loan, there is a moratorium on principal re-payment for a period of 3 years from 1st April 2014." They have claimed that the annual interest on these loans for both the Discoms is Rs.282 crore (Rs.141 crore each). The Discoms have maintained that they need to recover the interest cost through tariffs and

requested the Commission to allow them to recover the same. The Discoms have also requested the Commission to permit them to recover the cost of servicing interest and principal of these short-term loans as and when principal repayment of loan commences, i.e., from 2017-18. Since the FRP is claimed to be intended to enable the turnaround of the Discoms and ensure their long-term viability, what is the financial support rendered by the Government of India under the programme to the Discoms? The Discoms have stated that the scheme contains measures to be taken by the State Government and State Licensees (Discoms). What are those measures and under what terms and conditions the FRP is approved by the GoI? The details of the scheme as signed by the GoI and the State Government have not been made public. I request the Hon'ble Commission to direct the Discoms to provide me a copy of the FRP.

The claims of the Discoms for recovery of the principal and interest thereon of these short-term loans during 2015-16 and/or thereafter from consumers through true-up or tariff as also FSA amounts from 2009-10 to 2011-12 are not permissible for the following reasons, among others:

- a) At the behest of the State Government of the undivided Andhra Pradesh, the four Discoms had purchased additional power by obtaining loans from Banks and financial institutions under the condition that the Government would redeem both the principal of the loans and interest thereon from 2008-09 onwards. No approval of APERC was sought or obtained for the quantum, period and ceiling price for purchasing that short-term power by the Discoms. As such, the Discoms are entitled to recover that amount from the State Government after deducting the revenue obtained by them on sale of that additional power to non-agricultural consumers and fully to the extent they supplied power under free supply to agriculture. If such expenditure was permissible under FSA, the Discoms should have or would have claimed the same accordingly. That the Discoms did not do so confirms that they are not entitled to recover that amount and interest thereon from consumers.
- b) To serve political expediency of the then ruling party, at the behest of the Government, especially during pre-election periods, with a view to hoodwinking the consumers that there were no tariff hikes or additional burdens, the Discoms delayed filing of their FSA claims for almost three years without any valid reason and justification. Some of the consumers, especially industrial consumers, challenged the much-delayed claims of the Discoms for FSA and orders given thereon by APERC and obtained stay orders. The recovery or otherwise of those FSA claims would depend on the kind of final orders that would be given by the Supreme Court. Claiming and permitting recovery of such FSA amounts from consumers, when stay orders are in force, would tantamount to contempt of court.
- c) Though the then APERC directed the Discoms to resubmit their ARR and tariff proposals in view of bifurcation of the State with updated details, the Discoms did

not do so. As such, for their failure of omission, the Discoms should not be permitted to recover carrying cost of Rs.132 crore for the year 2014-15 from the consumers.

- d) Additional power purchases on short-term basis, without obtaining consent of the Hon'ble Commission on the quantum, period and ceiling price of power, would tantamount to bypassing the regulatory process of the Commission. Without such regulatory process and reasonable limits on quantum and maximum price of additional power to be purchased, short-term purchases of power at higher costs, though apparently for serving consumer needs, actually would lead to imposition of unjustifiable and avoidable burdens on consumers. As such, I request the Hon'ble Commission to examine whether costs of additional power purchases made by the Discoms during 2014-15 are permissible to be recovered from consumers fully or partly or not.
- e) For the failures of commission and omission on the part of the State Government and/or the Discoms, the consumers of power should not be penalized. Therefore, I request the Hon'ble Commission not to permit claims of the Discoms for true up of the above-explained short-term loans and interest thereon, carrying cost for 2014-15 and the FSA amounts.

4. CONFLICTING CLAIMS OF TS DISCOMS AND AP DISCOMS ON THEIR RESPECTIVE SHARES IN POWER PROJECTS : Projections on availability of power and their shares therein as incorporated in their ARR submissions to TSERC by TS Discoms and to APERC by AP Discoms for the year 2015-16 contain mutually conflicting claims.

In the A.P. Reorganisation Act, 2014, it is incorporated : "1.Units of APGENCO shall be divided based on geographical location of power plants.

"2. Existing Power Purchase Agreements (PPAs) with respective DISCOMS shall continue for both on-going projects and projects under construction.

"6. The power of the Central Generating Stations will be allotted in such ratio to the State of Telangana and the State of Andhra Pradesh based on the actual energy consumption of the last 6 years of the relevant DISCOMS in the respective successor State.

"7.For a period of ten years, the successor State that has a deficit of electricity shall have the first right of refusal for the purchase of surplus power from the other successor State.

“8. The districts of Anantapur and Kurnool which fall within the jurisdiction of the AP Central Power Distribution Company Ltd will now be reassigned to the AP South Power Distribution Company Ltd.”

Telangana State Discoms TSSPDCL and TSNPDCL have projected their share in NCE units as per geographical location and as per the PPAs entered with erstwhile APCPDCL. In the ARR for 2015-16 submitted to TSERC, they have considered a share of 52.12% in CGS as per recommendations of a committee headed by the chairperson of the CEA appointed by the GoI. Telangana Discoms have claimed a share of 41.68% as per population ratio in Tungabhadra/Machkund Hydel Stations as per A.P. Reorganisation Act. In all other sources, including thermal and Hydel stations of AP Genco and TS Genco and Hinduja, TS Discoms have claimed a share of 53.89% for themselves.

AP Discoms have considered energy availability for upcoming APGENCO and TSGENCO thermal stations - KTHP Stage II, DSTPP stage I & II - and hydel stations as per their geographical location. They have allocated NCE units to Discoms on geographical consideration. Allocation percentage for all other existing APGENCO thermal stations, CGS stations and gas-based IPPs is considered as 46.11% for AP Discoms out of the share of undivided AP (based on the last five years' average consumption of Anantapur and Kurnool districts which were transferred from the erstwhile CPDCL (now TSSPDCL) to APSPDCL as part and parcel of the process of bifurcation of the erstwhile Andhra Pradesh). AP Discoms have claimed the entire installed capacity of HNPCL for themselves.

While AP Discoms have considered PLF of 75% for thermal stations of AP Genco, TS Genco and CGS, TS Discoms have considered average PLF of 80% for thermal stations of TS Genco and AP Genco. Similarly, while AP Discoms have considered availability of natural gas for four old IPPs at 41% PLF, TS Discoms have considered it as 30% PLF.

These conflicting claims on allocation of respective shares in power by AP Discoms and TS Discoms would lead to litigations, with variations in their respective projections on availability of energy. These conflicts are arising mainly as a result of divergent interpretations being given to some of the provisions in the A.P. Reorganisation Act by the Governments of Telangana and Andhra Pradesh. Obviously, the legality or otherwise of these conflicting claims and interpretations cannot be settled by TSERC and/or APERC. Both the Commissions can at best take on record and consider availability of energy as projected by the respective Discoms, but actually cannot ensure such availability. Both the States are making conflicting claims on the legality or otherwise of PPAs pertaining to some of the

projects in the erstwhile A.P. As these claims pertain to by now inter-State projects, they fall within the jurisdiction of CERC. If Discoms of both the States resort to legal litigations, they have to approach CERC, thereafter Appellate Tribunal for Electricity and finally the Supreme Court. Such litigations would take their own course.

There is scope for resolving these disputes harmoniously and equitably to the advantage of both the States. There are several incongruities in the A.P. Reorganisation Act. Nobody could provide any justification to allocation of 53.89% to Telangana, which has 10 districts and a population and geographical area of about 42%, and 44.11% to Andhra Pradesh, which has 13 districts and a population and geographical area of about 58%, in the installed capacities of power projects available to the undivided Andhra Pradesh. While AP Discoms projected a requirement of 58,191 MU for 2015-16, Telangana Discoms have projected a requirement of 52,100 MU. Even after considering the element of inflated demand, there is no basis to justify the above ratio of 44.11:53.89 between the two States. Average consumption of power in respective areas also does not provide any rational basis for distribution of power between the two States. It is an established fact that in the undivided Andhra Pradesh undue importance was given to Hyderabad and Ranga Reddy districts with no or short-duration power cuts and other areas have been discriminated against with long-duration power cuts. As such, taking consumption as basis for distribution of power between both the States would give a distorted and inequitable pattern. Allocation of power to both the States on the basis of population, as is done in the case of allocation of assets in other areas, would affect interests of Telangana. Actually, we have been requesting the erstwhile APERC over the years to direct the four Discoms in the undivided A.P. to ensure supply and power cuts proportionate to demand of respective areas/districts to be fair and equitable. Similarly, allocation of power from existing and on-going projects which were supplying or intended to be supplying power to the four Discoms in the undivided A.P. between Andhra Pradesh and Telangana States on the basis of average demand of respective areas for a period of five or six years before bifurcation of the erstwhile A.P. would ensure equitable distribution between them. Secondly, projects of erstwhile AP Genco can be allocated to Gencos of both the States on geographical basis. Based on the respective ratios of both the States based on the equitable principle of demand-based distribution, whatever deficit Telangana State faces can be made good by required additional allocation from the Central Generating Stations by the GoI or from the share of undivided A.P. in the CGS. Apart from ensuring equity, such an allocation has added advantages to both the States. They can avoid payment of wheeling charges to PGCIL and charges to SRLDC for mutual transmission of power after accounting adjustment which they

have to otherwise pay in the event of both the States continuing to have shares in the power projects of both the Gencos. Each State can decide annual overhauling of their respective projects based on their requirements and there will be no scope for disputes on such issues. Regarding projects of Gencos of respective States, they will continue to be State specific projects, not inter-State projects, and as such on issues relating to them they need not approach CERC in New Delhi; they can approach their respective State ERC. Above all, the dispute on legal tenability or otherwise of PPAs will be resolved between the two States. In fact, through the media, I have been advocating resolution of these disputes between Andhra Pradesh and Telangana on these lines for almost one year. Even the erstwhile APERC, under the chairmanship of Dr V Bhaskar garu, in its advisory No.3, recommended distribution of power between A.P. and Telangana broadly on these lines and sent the same to the GoI and Governments of Telangana and Andhra Pradesh. Unfortunately, no move has come either from the GoI or the State Governments in that direction so far to resolve the avoidable disputes. I request the Hon'ble Commission to recommend to the Central and State Governments to resolve the disputes on these lines or in any other better way which it deems fit. What do the Government of Telangana and TS Discoms propose to do to resolve these disputes and get their due share of power?

5.AVAILABILITY OF POWER AND SHORT-TERM PURCHASES : For the year 2015-16, against a total requirement, including peak requirement, of 52,100 MU (14,476 MU for TSNPDCL and 37,624 MU for TSSPDCL) projected availability is 60,250 MU with a surplus of 8150 MU which works out to 15.64 per cent. For 2015-16, TSSPDCL has projected annual growth rate in sales of power of 13.16% over sales of 2014-15, while TSNPDCL has projected a growth rate of 9.80%. These projected growth rates being substantial, obviously, that much reserve margin is on the higher side and may not be required. In this connection, I request the Hon'ble Commission to consider the following points, among others:

- a) The Discoms have maintained that "the estimated purchases from such external sources (short-term purchases) are estimated to be 9123 MU for FY 14-15 and 2249 MU for FY 15-16." They have further maintained that "based on the information available with the licensees on "the possible market prices for such purchases" - Rs.6 per unit for bilateral purchases and Rs.5.50 per unit for power from NTPC's Jhajjar for 2015-16. (para 4.4.8) At another place in ARR (para 4.3.8), the Discoms have explained that bilateral/short-term purchases of 800 MU per month for April and May, 2015 (900 MU at para 4.2.9) and 525 MU per month from June 2015 and March 2016 have been considered. There does not seem to be any prudent propriety or legal tenability and respect for applicable regulatory process of the Commission on the part of the GoTS in making the Discoms enter

into contracts for purchases of short-term power, even without seeking consent of the APERC that has been in existence with due authority in the undivided Andhra Pradesh and after bifurcation of the State till the present TSERC is formed for the quantum, period and ceiling price per unit for purchasing short-term power. What kind of bidding process the Discoms have adopted for short-term purchases? What are the terms and conditions under which TS Discoms have entered into or going to enter into contracts for short-term power purchases? The Discoms have maintained that "whenever the said power is not supplied as per the agreement, the power trader is liable to payment compensation." Is there any condition incorporated in the contract to the effect that the sellers or Discoms have to pay 20% of cost per unit in the event of failure to supply or failure to purchase power, as the case may be? If so, what do the Discoms propose to do with purchase or non-purchase of projected surplus power, if it cannot be used or re-sold?

- b) Under long-term power purchase agreement (PPA) signed with Thermal Power Tech Corporation India Limited (TPCIL) by the Discoms of Andhra Pradesh and Telangana for supply of 500 MW for a period of 25 years, TS Discoms have been allocated a share of 53.89%, i.e., 269.54MW, under G.O.Ms.No.20. As per terms of PPA, TPCIL has to commence supply of power from the 1st April, 2017 to the Discoms. However, the Company has requested the Discoms to prepone commencement of supply of power to them to 1st April, 2015 in view of early commissioning of the units of their project. TS Discoms have considered availability of 2011.82 MU from this plant during 2015-16 with an estimated variable cost of Rs.1.82 per Kwh and fixed cost of Rs.352 crore. (However, AP Discoms have considered variable cost of Rs.1.76 per unit and fixed cost of Rs.313.29 crores is for 2015-16.) Why have the TS Discoms considered higher costs? What is the total cost per unit? I request the Hon'ble Commission to examine whether agreeing to preponement of commencement of supply of power to 1st April, 2015 by this project is desirable and beneficial, especially in view of binding contractual obligations on the Discoms to purchase surplus short-term power or pay penalty, if any, for non-purchase.
- c) Additional purchases of power and surplus (reserve margin) should be restricted to prudent level by the Commission.

6. SCOPE FOR AVAILABILITY OF ADDITIONAL POWER NOT CONSIDERED : Against allocation of 53.89% share (538 MW out of 999 MW) to TS Discoms from the four gas-based private power projects of GVK, Spectrum, Lanco Kondapalli and Reliance BSES, only 1482 MU is considered for 2015-16 with an average PLF of 30% only (AP Discoms have considered average PLF of 41%) due to shortage in supply of allocated natural gas. Energy availability is not considered from GVK Extension, Vemagiri, Gautami and Konaseema (total 1499

MW with a share of 53.89% for TS Discoms), as there has been no supply of natural gas from Reliance Industries Limited from KG D6 fields to these projects from 1.3.2013 onwards. The Discoms have not considered scope for availability of additional power from the existing power projects. Nor does the efforts, if any, made by the GoTS seem to be yielding desired results to ensure optimum generation and supply of power exceeding the projected quantum from the existing and upcoming projects for 2015-16. I request the Hon'ble Commission to consider the following points :

- a) The Government of India has reportedly agreed to divert 2.4 MMBTU of natural gas from the supplies being made to fertilizer plants to enable generation of additional 450 MW from the gas-based projects in A.P. which supply power under PPAs to the Discoms of Telangana and A.P.. From this, TS Discoms can get their share of 242 MW.
- b) If the GoTS insists on the Government of India to ensure supply of natural gas and indigenous coal at least as per allocations made to power projects, which supply power to Telangana and A.P., and succeeds in that direction, substantial additional power will be available from the existing and upcoming power plants. In such an eventuality, TS Discoms can get an additional power of not less than 50 MU per day by making use of idle capacity of existing and upcoming projects.
- c) The Discoms have informed that GVK phase I PPA is expiring in June 2015 and Lanco Kondapalli stage I PPA is expiring in December 2015 (A.P. Discoms informed the expiry of the PPA of the latter project is 17.10.2015.) Going by the projections of availability of power from GVK and Lanco plants for 2015-16 of 126.86 MU and 536.17 MU respectively, it is obvious that the TS Discoms have considered availability of power from these two plants only up to the respective dates of expiry of their PPAs and availability of natural gas for 2015-16. Responding to one of my queries pertaining to ARR and tariff proposals for the year 2014-15, the Discoms had replied in January 2014: "Regarding the buy-out (or) otherwise of Projects of GVK (stage I) & SPGL Power Plants, APDISCOMS have initiated steps in accordance with the procedure stipulated in the respective PPAs and would evaluate the benefits of the Options (examining the R&M proposals of IPPs and PPA Renewal (or) Buy-out of the Project) provided in the aforesaid agreements and submit the same to this Hon'ble Commission, for its Scrutiny and directions. This process would take time." Have the TS Discoms evaluated the benefits of these three options and submitted the same to the Hon'ble Commission, indicating their preference for any option and seeking the Commission's consent? I request the Hon'ble Commission to hold public hearing on these options, if proposals on the same are already submitted to it by the Discoms. Having paid unreasonably higher fixed costs and other charges to

the gas-based IPPs during the period of their PPAs in view of highly questionable and manipulative terms and conditions therein and the failures of the Discoms to get them amended rationally, the consumers of power are entitled to get the benefit of frontloading the tariff by continuing to get power from these projects in the most beneficial manner by the Discoms opting for the option to which ensures maximum benefit to the consumers after expiry of the term of PPAs. I request the Hon'ble Commission to issue necessary directive to the Discoms in this regard and take necessary action in time to protect larger consumer interest.

7. SCOPE FOR REDUCING INFLATED POWER PURCHASE COST, ARR AND REVENUE GAP & AVOIDABLE LEGAL LITIGATIONS: There is scope for reducing power purchase cost projected by the Discoms. I request the Hon'ble Commission to consider the following points, among others:

- a) **2% ESCALATION OF VARIABLE COSTS FOR THERMAL PROJECTS SHOULD NOT BE PERMITTED :** The Discoms have factored 2% escalation in variable costs of thermal stations of TSGENCO and AP Genco and Central Generating Stations for the year 2015-16 over the variable costs for the first six months of 2014-15. It is generally known that cost of imported coal is coming down, and more usage of imported coal is likely in upcoming years, besides decreasing prices of crude oil and diesel, which may decrease the secondary oil cost and keep transportation cost on low side. Therefore, this 2% escalation is hypothetical and should not be permitted by the Commission. In any case, options are always open to the Discoms to seek true-up of difference in power purchase cost for 2015-16 in the ARR to be proposed for 2016-17. How much would be the proposed 2% escalation in variable costs?
- b) **ENSURE INTERNATIONAL COMPETITIVE BIDDING FOR PURCHASING IMPORTED COAL :** I would like to bring to the notice of the Hon'ble Commission what I had submitted on the ARR proposals of the Discoms for 2014-15 regarding contrived bidding and higher costs for imported coal with a request to consider the same: "As a result of the failure of GoI in ensuring timely supply of at least allocated domestic coal, Thermal projects of AP Genco and Central generating stations have already been forced to buy costly imported coal. There are serious allegations that manipulations and corruption are taking place in purchasing imported coal by confining competitive bidding to a few marketing companies of the Central government. Instead of re-examining the issue and ensuring international competitive bidding to enable foreign producers of coal to

participate in the process to ensure real competitive bidding and economic price for imported coal, the Discoms proposed to add 10% escalation over actual variable costs of first half year of 2013-14 of AP Genco and Central generating stations for the next financial year. However, the Commission did not allow the escalation, as suggested by some of us. We request the Commission to take the same stand for the year 2014-15 also, besides disallowing the claim of the Discoms for true up of variable costs of thermal projects of AP Genco and NTPC exceeding the ones permitted by the Commission for the year 2013-14 in view of their failure to ensure that coal is imported by adopting international competitive bidding to enable actual producers to participate in the bidding. Otherwise, the decision of the Commission to disallow 10 per cent escalation in the variable cost of coal-based thermal projects will have no value. Responding to our submissions during the earlier public hearings on FSA claims on the need for providing relevant information pertaining to the procedure adopted for importing coal through competitive bidding and examining the same, the Commission had simply stated that "the role of Commission is limited to verifying whether the coal imported by APGENCO is procured through competitive bidding or not as the cost of it is levied on the consumers" (para 36 and page 42 of FSA order of the Commission for the 2nd quarter of 2011-12). The Commission has failed to see that the relevant information pertaining to the procedure adopted by AP Genco for importing coal through competitive bidding is provided to us. Nor did it respond positively to our request to arrange to permit interested objectors to peruse the relevant files in its office in the presence of the officers concerned. The above response of the Commission simply says what its role is but has not made it clear whether it has played its role in its true spirit and examined what kind of competitive bidding is followed for importing coal and whether it is satisfied that that is the only procedure that can be adopted and that no other better procedure can be adopted, based on the actual market conditions prevailing, to explore the possibility for importing coal at prices cheaper than what AP Genco and NTPC are paying, especially in view of the fact that "the cost of it is levied on the consumers". Did the Commission examine whether AP Genco and NTPC followed international competitive bidding to ensure participation of producers of coal, since coal is being imported from other countries, or simply confined the bidding to a few selective companies or traders who are not producers of coal but middlemen trading in coal? Despite brining the fact that coal is being imported at avoidable higher cost through contrived bidding process and that NTPC is paying much higher cost than the price being paid by AP Genco for importing the same quality of coal, the

Commission, by not examining all these relevant aspects, is shirking its responsibility of protecting larger consumer interest, with such a casual approach. In view of change of guard in the Commission, I once again request the Commission to re-examine the issue and take appropriate decisions as requested above." It is reported that TS Genco intends to import coal for its projects. It was also reported earlier that Hon'ble Chief Minister of Telangana Sri K Chandrasekhar Rao garu had directed TS Genco to get boilers of new projects designed to use imported coal, claiming that indigenous coal was not available, contrary to his repeated claims before elections that coal from Singareni Collieries Company Limited would be available for setting up thermal projects to the tune of 10,000 MW in Telangana.

- c) **FIXED COST AND PPA OF HNPCL:** Claiming availability of 53.89% share from the Hinduja project (two units of 520 MW each) to Telangana State, with energy availability of 3449 MU for 2015-16, the Discoms have maintained that "indicative fixed cost for KTPP II, Krishnapatnam and Hinduja have been considered." For two units of Krishnapatnam, the Discoms have considered fixed cost of Rs.1162 crore and a variable cost of Rs.2.48 per unit and for Hinduja fixed cost of Rs.638 crore (AP Discoms have considered fixed cost of Rs.1028 crore) and variable cost of Rs.2.29 per kwh. Whereas "fixed costs have been considered as projected by the appropriate generating stations", the Discoms have claimed. What are the fixed costs actually projected by Hinduja and AP Genco's Krishnapatnam and TS Genco's KTPP II projects? The Discoms have informed that HNPCL has submitted tariff proposals for its plant under cost plus basis before APERC for approval and that the same is pending. Have the Discoms signed final PPA with HNPCL and submitted the same to appropriate ERC for its approval? In their responses to my queries on ARR and tariff proposals for 2014-15, the Discoms had replied that they and HNPCL were likely to sign the PPA on 31.3.2014. In their ARR proposals for 2014-15, the Discoms informed that "the licensees have considered the fixed and variable costs for upcoming HNPCL power plant to be same as the costs for NPTC Simhadri Stage II. However, actual tariff would be subject to approval of Hon'ble Commission." In this connection, I would like to reiterate what I had submitted on this issue relating to ARR and tariff proposals of the Discoms for 2014-15: "The Discoms have shown the cost of power from NTPC Simhadri stage II as Rs.3.74 per unit. The State Government has directed the Discoms to enter into a 'continuation agreement to the PPA of 1998 with M/s HNPCL', they had explained earlier. When the so-called continuation agreement is still pending and the Commission's consent to the same is to be

sought, and when the Discoms have not explained whether HNPCL has agreed to the tariff on par with that of NTPC's Simhadri stage II, what is the sanctity or legality in the Discoms proposing to purchase power from HNPCL at the presumed or speculative rate? If the Commission permits the Discoms to purchase power from HNPCL accordingly, without holding public hearing on PPA, if signed between the Discoms and the project, and giving consent to the same, it may lead to bungling and legal litigation later." If the Discoms and HNPCL have not signed PPA so far, what are the reasons for the same?

- d) **RECOVERY OF RS.2081.81 CRORE FROM APGENCO:** In its order dated 31.5.2014 in O.P.No.15 of 2009 and IA Nos.3 of 2010, 9 of 2011, 21 of 2013 and 36 of 2013 in OP No.15 of 2009, APERC directed APGENCO to adjust a difference of Rs.2081.81 crore between the tariff already collected from Discoms and the tariff approved for specified years and projects mentioned therein before 31.12.2014. Was that amount adjusted by APGENCO, as directed by the Commission? If not, what steps are the Discoms taking to recover the same from TSGENCO (and APGENCO)? Since no mention is made of adjustment of that huge amount in the form of true-down by the Discoms in their ARR for 2015-16, I request the Hon'ble Commission to deduct that amount from annual revenue requirement, including claims of true-up, projected by the Discoms (proportionately for TS Discoms) with a direction to them to recover the same from TSGENCO (and APGENCO), if not already adjusted or recovered.
- e) **QUESTIONABLE REVISED ESTIMATES OF AGRICULTURAL CONSUMPTION :** It has become a standard practice for the Discoms to project inflated agricultural demand and for the Commission to reduce the same and for the Discoms to show revised estimates of higher consumption for agriculture. Genuine criticism is being voiced every year that a part of transmission and distribution losses is being included in agricultural consumption. Even while showing overall sales below the levels permitted by the Commission, both the Discoms have shown agricultural consumption exceeding the levels permitted by the Commission by 406 MU for TSNPDCL and an increase for 2014-15 to 37.28% from 32.87% in 2013-14; and by 1116.57 MU for TSSPDCL for the year 2013-14 and an increase for 2014-15 to 22.98% from 20.95% in 2013-14. Since the scheme of free supply of power to agriculture is being implemented and Government is providing subsidy, in addition to cross subsidy, the Commission should not permit true-up of expenditure for revised excess consumption for agriculture and the same should be provided as additional subsidy by the Government. Since the Government has agreed to provide substantial subsidy for 2015-16, it can be

presumed that the same covers expenditure for revised excess consumption for agriculture.

- f) **NON-CONVENTIONAL ENERGY, ENDLESS LITIGATIONS AND TARIFF HIKES :** Regarding the detailed account on how litigations with non-conventional energy units have been going on endlessly and how tariffs for the same are being increased over the years, with the kind of policy decisions being taken by the Governments and orders being given especially by the Regulatory Commission and Appellate Tribunal, desirability of entering into long-term PPAs with private NCE units has become questionable with consumer interest becoming a casualty. Encouragement to non-conventional energy does not mean going on a spree of entering into long-term PPAs with private developers and increasing tariffs for the same. Even in the face of projected availability of surplus power, entering into long-term PPAs with private developers to purchase non-conventional energy is leading to higher costs for power purchase, as the rates at which different kinds of NCE shown in the ARR make it abundantly clear. Therefore, I request the Hon'ble Commission to reduce the percentage of NCE power to be purchased by the Discoms from the 5% determined by it under the existing Renewable Power Purchase Obligation order. Even then, the quantum of NCE power the Discoms have to purchase would increase in absolute terms in view of increasing sales of power. Fillip should be given to Research & Development for technological development and improvement to reduce cost of generation of NCE power especially solar and wind power. Instead of inviting bids and entering into long-term PPAs with private developers at higher costs especially for solar power, TSGENCO should be encouraged to fully make use of the incentives being given by the GoI and the State Government for setting up solar energy units and the power generated by them be supplied to agriculture during day time. That would help avoiding the kind of problems farmers cultivating under wells and borewells are facing due to staggered supply of power in two or three spells even during the night. If necessary, the Government has to provide necessary additional subsidy for the same.
- g) **REDUCTION OF DISTRIBUTION LOSSES :** The financial impact of failure of the Discoms in achieving targets of reduction of distribution losses as determined by the Commission should not be permitted to be included in ARR and collected from the consumers. As the Discoms themselves have admitted, there is scope for further reducing distribution losses, both technical and commercial. To the extent the Hon'ble Commission disallows excess agricultural consumption of power claimed by the Discoms, that should be added to distribution losses. Accordingly, I request the Hon'ble

Commission to fix targets of reduction of distribution losses realistically not only Discom-wise but also circle-wise to infuse a sense of accountability at various levels, since there is a vast difference in distribution losses among various circles.

- h) **TRUE-UP CLAIMS :** The veracity and permissibility of true-up claims of the Discoms need to be examined thoroughly and pruned accordingly. Based on the information, without all the required details, submitted in the ARR volumes, it is not possible for us to examine and come to a conclusion on the veracity and permissibility or otherwise of true up claims of the Discoms. A separate public hearing on true up claims, making all relevant details available, is required, as has been the past practice with regard to FSA claims of the Discoms.
- i) **MAXIMUM CEILING PRICE FOR SHORT-TERM PURCHASES :** Regarding directive given by APERC in its tariff order for 2013-14 on maximum ceiling on purchase price through short-term sources, the TS Discoms have replied that “the APPCC has finalized short term power purchases of 2000 MW RTC power on firm basis from 30.05.2014 to 28.05.2015, fixing the rates as follows: Generators located outside the State at Rs.3.52. Generators located within the State Rs.5.45 per unit.” For purchase of short-term power, competition should be among all interested suppliers, irrespective of locations from which they supply power. The Discoms have projected “possible price of Rs.6 per unit” for 2015-16. From which individual generators/traders the Discoms are/will be purchasing power on short-term basis, how much quantum, for which period and at what prices? The neo-liberal policies of the Central and State Governments in hindering progress of public sector utilities and pampering private sector units, often with scandalous proportions, in fuel and power sectors are leading unjustifiably to all-round imposition of additional burdens on consumers. They create scarcity for fuels and power, on the one hand, and in the name of reducing or overcoming scarcity for power and avoiding power cuts, resort to entering into contracts to purchase power especially on short-term basis at very high prices, on the other, all in the name of serving consumers, but serving private vested interests in practice. Implementing saner policies to ensure generation and supply of power at prudent costs to consumers availing all possible opportunities in a given situation is the real yardstick to judge whether the policies of the Government are pro-people or not. Judging by this yardstick, the policies of the Governments are anti-people and pro-corporate sector. In this connection, we welcome the repeated statements made by CM Sri Chandrasekhar Rao garu that new projects would be implemented by TS Genco as a step in the right direction. However, it is

necessary to ensure that the projects are implemented in time and efficiently, confining cost of the projects to prudent levels, and leaving no scope for manipulations and avoidable cost escalations, in view of adverse findings in the reports of the Comptroller & Auditor General of India earlier on implementation of some of the projects by AP Genco.

8. DIRECTIVE ON MONITORING OF COST OF IMPORTED COAL PROCURED BY APGENCO AND NTPC NOT COMPLIED WITH : In response to several objections raised during public hearings, in its tariff order for 2013-14, the then APERC in the undivided Andhra Pradesh directed the Discoms: "The Discoms are directed to verify whether APGENCO is procuring imported coal through competitive bidding process, or under any guidelines issued in this regard by GoI, before admitting the Station wise power purchase bills claimed by APGENCO. Regarding NTPC Stations, DISCOMs have to take up the pricing issue of imported coal, if any, with CERC." After a gap of nearly two years, the TS Discoms have replied: "TSGENCO is not utilizing imported coal." This reply is strange and evasive, as if the responsibility of TS Discoms were confined to monitoring cost of imported coal, if only TS Genco imported and used the same, and ignoring the fact that they are getting power from projects of AP Genco and NTPC also. Therefore, I request the Hon'ble Commission to issue appropriate directions to TS Discoms in this regard. The Discoms also have replied : "TSGENCO projected its total coal requirement for FY 2014-15 as 131.60 Million Tons (MMT), as per Fuel Surcharge (Supply) Agreements the linkage is 106.70 MMT and the shortfall is being met by procuring additional quantity of Coal from M/s SCCL." Is TSGENCO procuring additional quantity of coal from SCCL at the same price that is being paid for allocated coal of same grade or is it paying higher price for coal of same grade purchased additionally?

9. IMPACT OF IMPORTED COAL : In its tariff order for 2013-14, APERC had directed the four Discoms: "Distribution Licensees are directed to take up the issue of variation in GCV (lower GCV of blended coal than indigenous coal) of CG stations with NTPC and report compliance by 30th September, 2013. Licensees are directed to take up the matter with APGENCO for a critical examination of the variation in GCV and submit a report to the Commission by 30th September, 2013." The TS Discoms have given the same strange reply : "TSGENCO is not utilizing imported coal." When blended coal, imported and indigenous, is being used for generation of power, only average GCV would be available which must be above the GCV of indigenous coal when imported coal is costly and its quality is superior to

that of indigenous coal. Is NTPC showing the quantum of imported coal used in specific stations and its cost, and whether its assured GCV is realized in actual usage separately in monthly bills? Or is NTPC showing average cost and GCV of coal - supposed to be a blend of imported and indigenous coal - of all its stations in the country for every one of its stations, irrespective of actual utilization or non-utilization of imported coal, its quantum and price in its monthly bills to the Discoms? Regarding quality of domestic coal, APERC had directed the Discoms : "The Discoms are directed to appoint independent coal auditors to ensure that the coal of agreed quality and price as per fuel supply agreement (FSA) is used for generation of power at all coal based Thermal Power Stations. Before making final payment such audit reports should be verified by the concerned officers of the DISCOMs." When the TS Discoms have replied that "TS & AP DISCOMS submitted in FY 2013-14 to the Hon'ble Commission (that it) may take a view on this aspect duly considering the Punjab ERC directions in the similar matter," they have deliberately ignored the fact that the Commission had given this directive in the tariff order for 2013-14 after the same submission was made by the Discoms. In view of the evasive replies given by the Discoms, I request the Hon'ble Commission to issue necessary directives to the Discoms and direct them to submit in detail relevant particulars like quantum, quality, price and assured GCV of imported and indigenous coal used by NTPC and APGENCO in each thermal station separately which supplies power to the Discoms. I also request the Hon'ble Commission to permit or reject, fully or partly, the cost of power purchase station-wise or unit-wise based on submission or non-submission of required particulars relating thereto and after examining the same thoroughly.

10. RECOVERY OF DEMAND CHARGES FROM APGPCL : In response to the issue of recovery of demand charges from APGPCL raised by us, consequent to the orders issued by APERC, vide letter No.APERC/E-205/DD/Dist/2009 dated 6.5.2010, the Discoms replied that the amounts estimated by APPCC are around Rs.5 cr. and that necessary steps are being taken for recovery of the amount from APGPCL. Further, the amount foregone by DISCOMs towards difference of MD charges in H.T. consumers C.C. Bills will be calculated and necessary steps for recovery of the same will be made in due course, the Discoms replied. APERC directed the Discoms to file a comprehensive action taken report with details of excess amounts paid and extent of recovery made (Para 82 of Tariff Order for 2011-12). How much was the excess amount and how much was recovered from APGPCL?

11. REJECT PROPOSALS FOR TARIFF HIKE : Considering the above submissions, availability of surplus power, besides the subsidy implied to be provided by the Government, among others, I request the Hon'ble Commission to reject the proposals of the Discoms for tariff hike for 2015-16.

12. MEASURES NEEDED TO ENSURE ADEQUATE SUPPLY OF POWER TO CONSUMERS AT REASONABLE TARIFFS : Strengthening public sector utilities like TS Genco and NTPC to take up and implement proposed and new projects in time by providing necessary budgetary allocation for meeting equity, allocating and ensuring timely supply of adequate quantum of fuels required by them on priority basis and ensuring fair bidding processes for implementing projects with least possible capital cost; taking concerted measures in a planned manner to ensure growth in production of fuels like domestic coal and natural gas by giving priority to the public sector units in those areas, fixing prices of fuels in a rational manner based on prudent capital and operating costs and reasonable profit; clearing dues, if any, to the Discoms by the State government for additional power purchased at its behest earlier, improving efficiency of government's power utilities; effective measures for further reducing transmission and distribution losses, curbing theft and pilferage, collecting dues from consumers; implementing energy conservation measures in a phased manner based on cost-benefit analysis; avoiding manipulative terms and conditions in power purchase agreements with private power projects ; paying special attention to research and development to tap sources of renewable energy in an economical way gradually and fixing their tariffs in a prudent way are some of the main measures required to ensure adequate supply of power at reasonable tariffs to meet growing demand of consumers.

13. CLAIMS OF TRUE UP & MYT: The Discoms have sought true up of additional expenditure or ARR deviation for 2013-14 and 2014-15. Leaving aside the permissibility or otherwise of such claims, a few relevant issues need to be taken note of here. Since FSA was repealed from 2013-14 onwards by the Commission, the Discoms claim that they are seeking true up for the revised revenue gap for 2013-14, contrary to their earlier claim that they "expect minimal or no FSA for FY 2013-14 with the proposed ARR." It confirms our contention put forth before APERC during the public hearing held by it on its proposal to repeal the system of FSA that the additional burdens that were being imposed under FSA would be imposed in the form of true up. Similarly, we had questioned the propriety of introducing the multi-year tariff system. Experience of the 1st and 2nd control periods has confirmed repeatedly that Multi Year Tariff (MYT) has not benefited either the Discoms or its consumers. Every year the Discoms, in their ARR filings, have been explaining how regulatory objectives of a multi-year tariff regime could not be met and what kind of uncertainties they have been facing in making

projections for a control period of five years. The MYT has resulted in accumulating huge sums proposed to be recovered by the Discoms, thereby causing financial difficulties to them, on the one hand, and imposing of such huge additional burdens, with carrying costs, on the consumers at the end of the control period concerned or during the next control period, on the other. In view of the same, we once again request the Commission to dispense with the MYT system and direct the Discoms and TS Transco to file their proposals annually. All the reasons for claiming true up of additional expenditure or revenue gap by the Discoms may not be permanent in nature. For example, shortage for domestic coal, natural gas and water in reservoirs is temporary in nature. Once these issues are solved, generation and supply of power would improve and cost of power purchase would ease substantially, thereby avoiding need for most of the proposed additional burdens of tariff hikes. Therefore, while examining and allowing claims of the Discoms for true up, the Commission has to differentiate between factors that are permanent in nature, for example, pay revision, and factors which are temporary in nature. If additional expenditure or revenue gap is caused by non-controllable and justifiable factors but are temporary in nature, that should not be allowed as true up in the form of hiking tariffs. Otherwise, it would result in frontloading the tariff to cover even requirements of likely increase in costs of fuels and other costs in future which may lead to increase in power purchase cost and need for hiking tariffs or Government's subsidy support in future. In other words, the consumers would be saddled unjustifiably with the burden of making payments in advance for future requirements. Therefore, such claims should be permitted separately as a one-time payment, without considering them for hike in tariffs.

14. ADDITIONAL BURDENS DUE TO FAILURES OF GOI AND RIL : The deliberate failure of the Government of India in ensuring supply of domestic coal and natural gas to the power projects in the State as per allocations made by it is leading to under-utilisation of existing installed capacity. As a result, the Discoms are forced to purchase power in the open market from merchant power plants and power traders at higher prices, on the one hand, and get power generated with costly imported coal, on the other, to reduce power shortage. Instead of increasing production of natural gas in the D6 field of KG basin to 80 million metric standard cubic meters per day (MMSCMD), Reliance Industries Limited has reduced it considerably. Due to the failure of RIL and the GoI to ensure production and supply of natural gas as per allocations made, the plant load factor (PLF) of the four old private power projects is projected to be 30% and of the four new private power projects of GVK extension, Gautami, Vemagiri and Konaseema as zero during the next financial year by the TS Discoms. Due to failure of Reliance Industries Limited in supplying natural gas as per allocations made, (and by ONGC, Cairn, etc. to some extent) huge installed capacity of the existing projects with whom the Discoms had power purchase agreements is lying idle. The average cost of gas-based power even at the unjustifiable high cost of natural gas of the US\$ 4.20 per MMBTU is about Rs.3 per unit. While production and supply of natural gas has come down, the erstwhile UPA Government had decided to enhance the price of natural gas to \$ 8.4. per MMBTU based on an irrational formula worked out by the Rangarajan

committee. Fortunately, that decision was put on hold as a result of the directive issued by the Election Commission in view of the scheduled elections to the Lok Sabha. However, the NDA Government has increased the price of natural gas to \$5.65 per MMBTU without any justification and without even making public on what basis or principle it has done so. It is increasing the cost of generation of power and power purchase cost and leading to imposition of additional burdens on consumers of power. While RIL had quoted a price of \$ 2.34 per MMBTU in an international bid floated by NTPC in the past, the empowered group of Ministers headed by the then Finance Minister, Sri Pranab Mukherjee, had decided a price of \$ 4.2 per MMBTU based on a contrived formula submitted by RIL. That price was linked to the price of international Brent crude oil at US\$ 60 per barrel. Even going by that irrational formula, the price of natural gas has to be reduced in view of slump in the price of crude oil in the international market well below \$ 60 per barrel. Strangely, there is no word of protest against the unjustifiable hike in price of natural gas from the Governments of Telangana and Andhra Pradesh, leave alone demanding the GoI to reduce the price rationally.

15. DISCOMS SHOULD NOT SUPPLY POWER TO RESCOS AT LESS THAN COS : Discoms and Rescos are independent entities. The Discoms should not be permitted by the Commission to supply power to Rescos at less than the cost of service and impose additional burden on the consumers of Discoms. If Rescos are to be supplied power at concessional rates, it is for the Government to provide them subsidy.

16. HOLD SPECIAL PUBLIC HEARING ON FUNCTIONING OF THE COMMISSION : I request the Hon'ble Commission to hold a special public hearing, seeking suggestions from the public on its functioning itself, so that the present team of the Commission can get acquainted with the blunders committed in the past and improve and strengthen its functioning to protect larger consumer interest by acting independently, democratically, objectively, efficiently, transparently and in an accountable manner and gain respect and confidence of the people at large. The Commission should hold public hearings on all petitions and issues which will have financial bearing on the tariffs to be paid by the consumers.

17. UNWARRANTED DELAY IN SUBMISSION OF ARR AND TARIFF PROPOSALS BY THE DISCOMS : The delay for more than two months in submitting ARR and tariff proposals by the Discoms to the Hon'ble Commission lacks justification. As a result of this avoidable delay, the Commission, obviously, with a view to completing the regulatory process and giving its tariff order for 2015-16 in time to be effective from 1st April, 2015, could not give the normal one month period for interested public to submit their suggestions and objections. After the Discoms submitted their tariff

proposals to the Commission, and after publication of advertisement on 11.2.2015, calling for suggestions and objections, copies of ARR with tariff proposals were made available. As such, we have about twenty days to study the voluminous submissions of the Discoms and prepare our suggestions and objections and submit the same by the 7th March. (We have to do similar work in the case of ARR and tariff proposals of AP Discoms also) In view of paucity of time, some very important issues only could be covered in our objections and suggestions. From 12th March, the Hon'ble Commission is going to hold public hearings. It leaves inadequate time to the Discoms to send replies to the suggestions and objections filed and for us to study the same and prepare further submissions to be made during the public hearings. It leaves inadequate time to the Hon'ble Commission also to examine the suggestions and objections of the interested public and prepare and issue tariff order for 2015-16 by the 23rd March to make it effective from 1.4.2015. Also, I request the Hon'ble Commission to direct the Discoms to send their replies to my objections and suggestions by email followed by hard copies in time to enable me to study the same and make further submissions in person during the public hearings.

Thanking you,

Yours sincerely,


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