

Dated 5-12-2023

To

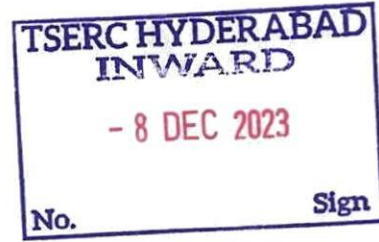
The Secretary,

Telangana State Electricity Regulatory Commission,

5th floor, Singareni Bhavan,

11-4-660 Redhills,

Hyderabad-500004



Sir,

I, S.Surya Prakasa Rao, aged 79 years, resident of Hyderabad, wish to provide my views in brief on draft regulation under subject for consideration by the Hon'ble Commission.

1. It's not desirable to frame a composite tariff regulation superseding the existing separate regulations in respect of Generation, Transmission, Wheeling & Retail Supply Tariffs and SLDC Charges etc.
2. Generating companies are not regulated entities under the scheme of the Electricity Act. Multi Year Tariffs procedures are not relevant for Generation and Transmission Tariffs. Appropriate Commission specifies the principles and methodologies for each control period. Tariffs are determined based on those principles, which will be applicable till the expiry of the PPA/TSA and there's no annual tariffs like Retail Supply Tariffs, except true up which should be preferably control period wise, but not annual.
3. Many provisions in this draft regulation are confusing and some are repetitive. The draft regulation gives an impression that generating companies are equated with licensees. For example why the beneficiary/ consumers have to share the losses incurred by generators on account of variations in sales and / or revenues of generating companies ?
4. It's necessary to continue the procedure of separate regulations like Deviation settlement charges regulation, Renewable Energy Tariffs etc., and guidelines/practice directions in respect of functions like planning, forecasting, seeking investment approvals etc.. The distinction between the statutory functions of STU u/s 39 vis-a-vis duties of licensees u/s 40 appears to be blurred. System planning and expansion proposals should emanate from STU only and not private licensees. Further, the limitations of licence granted pursuant to winning the bid u/63 may have to be reflected clearly in a composite regulation which covers power procurement u/s 63 also.
5. In fact Sec. 181(2) identifies the different sections under which the States Commissions are required to make Regulations. Framing of a composite regulation will be contrary the objective of facilitating implementation of the provisions of the Act.

6. Further, the State Commissions are entitled to specify separate principles and methodologies for determination of Tariff for Distribution and Retail Supply as Sec.61(a) relates to the Generation and Transmission Tariffs only. Hon'ble may therefore exercise its discretion in specifying appropriate principles, especially for Retail Supply Tariffs.

7. As there is no sufficient time to complete this legislative process to enable implementation of the new regulation w.e.f 1- 4- 2024 considering the time lines for filing the tariff applications, public consultation, issue of Tariff Orders,

it is desirable to plan the new regulations to be effective from 2024-25.

8. I also suggest that the time for filing responses on this draft regulation may be extended suitably and opportunity of hearing in person may be given to the interested stakeholders and general public.

I request the Hon'ble Commission to consider the above aspects before finalizing the draft Regulation under subject.

With High Regards,


S. Surya Prakasa Rao

Former Director (Commercial), erstwhile APCPDCL and Former Secretary erstwhile APERC

Flat.no.105, Ashok Chandra Enclave, 11-4-660 Redhills,

Hyderabad-500004

Mobile : 9392272754