



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
**MINUTES OF THE 1<sup>st</sup> MEETING OF THE STATE ADVISORY COMMITTEE**  
**HELD ON 04-03-2015 IN THE COMMISSION'S OFFICE**

**Present:**

1. Sri.Ismail Ali Khan,Chairman, TSERC
2. Sri H.Srinivasulu,Member ,TSERC
3. Sri L.Manohar Reddy,Member ,TSERC
4. Dr.K.Srinivas Reddy, Secretary , TSERC
5. Sri.Anil Reddy Vennam, Member,FAPCCI
6. Sri.N.Sreekumar,Member, PRAYAS (Energy Group)
7. Sri.Nrupender Rao, Member, CII
8. Sri.J.Nageswara Rao, Member,FETSIA,
9. Sri.M.K.Gupta, Member,South Central Railways
10. Sri.R.Janardhan Reddy,Member,Telangana Electricity Employees'1104 Union
11. Sri.E.Sridhar, Member, Telangana State Electricity Employees' Union- 327
12. Dr.U.Chandrasekhar, Member,ESCI
13. Sri M. Kamalakar Babu, Member,TNREDCL
14. Dr.G.Chandra Mohan Reddy, Member,Institute of Engineers
15. Professor S.Jeelani, Member, Center for Distance & Virtual Learning, HCU
16. Dr.L.Muralidhar, Member,Jana Vignana Vedika
17. Smt.Rajam Ganesan, Member,Consumer Care Center
18. Sri.M.Sreedhar Reddy, Member,Bharateeya Kisan Sangh,
19. Sri.K.Rangaiah, Member, All India Kisan Mazdoor Sabha
20. Sri.Suresh Gehani,Consultant (ABPS)

**INVITEES:**

1. Sri Venkata Narayana, CMD/TSNPDCL
2. Sri Srinivas Rao, Director (Finanace) /TSSPDCL
3. Sri. R.K.Agarwal, Telangana Spinning & Textile Mills Association
4. Sri. Rajesh Mediratta,India Energy Exchange
5. Sri.Devesh Singh,India Energy Exchange

The meeting started with the introduction of State Advisory Committee (SAC) members. While welcoming the participants, Secretary addressed the gathering and briefed the SAC about the

- Formation of TSERC consequent to formation of Telangana state
  - Constitution of State Advisory Committee & appointment of Members of SAC
  - ARR Tariff Filings made by (TSSPDCL & TSNPDCL) TSDiscoms and the schedule & venue of Public Hearings.
1. Chairman welcomed all members, invitees to the meeting and stated that the discussion will be on the ARR Tariff Filings made by the Discoms for FY 2015-16. Chairman invited views and suggestions of members of SAC, on the ARR Tariff Filings and told that the same would be taken into consideration before taking a final decision on tariffs for FY 2015-16. The Discoms were requested to present their ARR Filings to the committee.
  2. Director/Finance of TSSPDCL has presented ARR Tariff Filings on behalf of both TSSPDCL and TSNPDCL.
  3. On completion of presentation , Chairman invited views of SAC members. The views of the SAC Members are as follows:

**Sri.Anil Reddy Vennam of FAPCCI**

- there are lot of expectations from TSERC as it is the bridge between Discoms and Consumers and in order to safeguard the interests of the consumers TSERC has to intervene.
- Cross subsidy in Industry category is very high which is more than the limits specified in National Tariff Policy (NTP). As per NTP it should be +/- 20%.
- The spirit of Electricity Act,2003 is not followed by the Discoms and violations are for the well being of the Discoms.
- The Discoms have not complied with the MYT principles and are exceeding the sales allowed by the ERC.
- Every year the actual agriculture consumption is more than the approved agriculture consumption in tariff order. The effect of this higher Agl. consumption should not burden the Industrial consumers.
- Discoms should get the subsidies from the Government instead of burdening the consumers.
- With reference to ToD , there is room for discussions. Incentives are to be provided during off peak periods. To this Chairman / TSERC has reacted and questioned whether the above is feasible in the power shortage regime.
- Remark on Generation tariff not fixed , Member (Technical) clarified that the tariff is already fixed for FY 2009-14 by APERC.

- Cross subsidy should come down and loss figures are alarming and committed effort should be taken to reduce losses.
- Industry is ready to pay if quality of power is maintained by the Discoms.
- The issue of separate Discom for MSME sector should be examined.
- Removal of LT III (B) category is affecting the MSME sector for which the Commission has asked for a report on the burden on the consumers because of removal of this category.
- FRP is a scheme where consumers are burdened and it is a grey area. Member (Finance) wanted a clarification whether he was referring to the interest being loaded into CoS. Sri. Anil Kumar felt that interest should not be loaded on to the consumers.
- To this Chairman has told that 50% is loaded on Discom.

**Sri.N.Sreekumar, PRAYAS:**

- Tariff is a sensitive matter and the present category as well as slab structure is complicated and requires rationalisation.
- Average consumption in 0-50 domestic slab is approximately 50% and customer charges shall be removed for the BPL consumers in LT Domestic category.
- Fixed charges are not levied in some states and it is fair to levy only energy charges.
- Over a period of time many slabs are added due to lack of advancements in technology. With technology advancement slabs can be reduced and structure made simpler though not immediately but over a period of time.
- To this Member (Technical) & Member (Finance) wanted him to suggest ideal number of slabs and Sri. Sreekumar told that some groundwork is required on this matter.
- Power purchase cost is high CEA forecast is being followed and work on forecasting should be started by Discoms.
- DSM measures are not built in the planning and RE is not included. The short term power purchase should be reduced which is a concern.
- To this Member (Technical) pointed out that long term planning could not be done as there is no corridor for drawing power.
- Method of Agl consumption estimation is to be improved as since it has significant impact on losses. There is a mention of ISI report but there are many unanswered questions.
- On DSM pumpsets , CMD/TSNPDCCL has told that they have segregated agricultural feeders on which transformers are erected and meters installed. At the end of the month when compared with ISI methodology the variation was only 4%, which is insignificant.
- Sri. Sreekumar has told that till the time complete segregation of Agl feeders is done, the sample size should be increased.

- TSSPDCL Member (Finance) has added that Government also feels that there is scope for improvement in this area.
- Sri. Sreekumar has also suggested that use of solar energy can be explored in AGI sector. Instead of going in for individual pumpsets, solar based 2 MW plant on 11 kV feeder can be thought of and farmers must be involved in this exercise. In other states farmers were willing to join this exercise.
- Deaths due to electric shocks at 3435 (25% in AP & Telangana ) is a serious matter.
- Load shedding, shall be predictable and details of feeder availability shall be placed in Discoms website. Consumers expect fairness & transparency in this aspect.

### **Sri.Nrupender Rao of CII**

- Telangana Government is going in a big way in Industrial development. The Industry sector is not bothered about the price of power but it is bothered about the availability of power. Time taken for approvals for open access is very high and there is scope for improvement.
- System should be in such a manner that they should be able to buy power during load shedding.
- Chairman told that the problem is partly because of non availability of corridor.
- Member (Technical) enquired whether their load is fed through a mixed or dedicated feeder.
- Sri.Nrupender Rao told that it is a generic problem and Discoms are not allowing open access with a fear of losing money.

### **Sri.Nageswara Rao of FETSIA**

- Explained in detail about the importance of Small Scale Industries and the problems being faced by them due to shortage of power since 5 years and the loss of production.
- Suggested that the direction of Ministry of Power of providing separate Discom for industries needs to be taken into consideration.
- Next to Agriculture, Small Scale Industries are important and attention is to be paid to them.
- A fixed quota of percentage of power to MSME sector be allocated on the lines of Agriculture.
- Abolition of LT III (B) category is not good for Small Scale Industries and immediately it should be restored. Chairman told that the matter is taken note of.
- To avoid loss of material in continuous process industries, due to power cut, requested for imposition of power cut for 1 full day instead of few hours per day during peak hours so that they can plan their works.
- Chairman told that they would look into the matter.
- Sri Nageswara Rao requested that 50% in cash and 50% Bank Guarantee can be accepted as additional consumption deposit (ACD).

### **Sri M.K.Gupta of South Central Railways:**

- The demand is likely to go up as they have got some sanctioned projects.
- They have 17 traction sub stations in Telangana and their impact is Rs.162 crores for 622MU.
- Their tariff is high and Discoms have proposed two part tariff which is a new feature.
- When Member (Technical) asked whether they wanted single part or two part tariff and reasons thereof. Sri Gupta told that two part tariff for railway traction becomes burden on railways. Single part tariff is more easier and conducive.
- Security deposit can be collected by Discoms as Bank Guarantee instead of cash.
- Commission told them to represent the same in Public Hearings on 14-03-2015, which is meant exclusively for Railways & Industry.

### **Sri.Janardhan Reddy of Telangana Electricity Employees' 1104 Union**

- Welcomed the tariff hike proposed by the Discoms.
- Due to time lines prescribed in Citizen's Charter, implementation of works is becoming tough due to very low number of staff in the lower cadets.
- Collection centers like e-seva, meeseva etc are charging additional amount per bill when compared to Discoms and hence people are thronging to EROs instead of such centers to save money.
- Due to less staff the load on the existing staff to attend to the consumers is becoming very difficult. Hence there is an urgent need for recruitment of staff at the lower level like JLM , LDC etc.
- One more suggestion given by Sri.Janardhan Reddy was that number of counters can be increased to cater to the needs of consumers.
- Member(Technical) then asked if they can throw light on how to cut O&M cost in tariff.
- Discoms have to forecast and make proper planning to meet the power shortages instead of finding ways during shortages.
- Consumers must be encouraged to use solar energy.

### **Sri.E.Sridhar of Telangana State Electricity Employees' Union- 327:**

- Discoms may extend spot billing to collections also.
- Discom officials may look into the pole design wherein linemen are encouraged to climb more number of poles to attend to faults. Gujarat has good pole designs which can be followed by Telangana also.
- Distribution Transformer failures shall be reduced by Discoms and metering which is the backbone of the revenue should be strengthened with new technologies as it is the area where losses can be minimized.

### **Sri.R V C Dalapathi from ESCI on behalf of Dr.U.Chandrasekhar**

- Commercial losses are more than 15% and some action needs be taken in reduction of such losses to 4-5 %.
- Member / Technical raised a question on losses. What is the percentage of Technical losses in total losses , whether any analysis made or not. He replied that a lot of investment should be made to reduce losses and frequent raids should be done for reducing losses and also to curb theft of power.

### **Dr.G.Chandra Mohan Reddy of Institute of Engineers**

- Some efforts should be made by Discoms just as Tata Power has done to reduce losses.
- Chairman told that the point is taken note of.

### **Sri.Rajesh of Indian Energy Exchange (Invitee)**

- Retail supply tariff should be for entire control period as per MYT principles. The revenue from Trading shall be included in ARR.
- There should be more transmission capacity. Responding to the query of Chairman on suggestions by which Telangana can get more power, he told that transmission systems have to be built which may look redundant for the present but later will be of much use.
- To this Chairman has told that building transmission capacity is fine but the question is as to who will have to bear the cost. He also told that ISOs in US pay for the cost and retrieve it from the consumer.
- To Sri Rajesh's remark that there can be a solution by june/july , Chairman told that solution that late is of no use.
- Transmission component should not include Demand charges. To this Chairman told that no state is implementing such a thing.
- Renewable energy should be purchased during short term purchases.

### **Sri. K.Rangaiah of All India Kisan Mazdoor Sangh**

- Tariffs should not increase.
- Commission needs to look into the Krishnapatnam issue.
- There is no 7 hours power supply but only 2 hours supply is given.
- Loans and subsidies should be given to Discoms on time for effective performance.
- Employee strength needs to be increased.
- Solar energy should be encouraged.
- Talked on the deaths of consumers because of electric shocks. Chairman has told that accidents report can be collected from Discoms.

### **Sri.R.K.Agarwal of Telangana Spinning & Textile Mills Association (Invitee)**

- They are agro based and depend on vagaries of environment and should have a separate tariff.
- They shall be treated like Ferro Alloys and provide a separate category as they have similar Load Factor as Ferro Alloys.
- To the query of Member (Technical) whether they are ready to accept for minimum off take energy like Ferro Alloys, he told that they are ready for that.
- As per EA 2003, open access is to be given for loads above 1 MW. But Discoms are not following it.
- Load shedding is being announced before 3 days only and availing Open Access within such short time is becoming difficult.
- Agriculture should be metered by 2019. Agl consumption estimation is under assumption and all line losses are included into Agriculture.
- There is a penalty of 5 times on open access consumers even during power cut. To this Chairman told that it can be brought to the notice of Commission in proper format.

### **Sri. M.Sreedhar Reddy, Bharateeya Kisan Sangh**

- requested the Commission to give permission for observing a 2 minute silence for the departed farmers and the same was obliged by the Commission.
- Later he talked in detail about the safety of consumers and explained with few cases as to how the ex-gratia payment is dealt by the Discoms ( with lots of delays and recommendations required from higher officials and lot of follow-ups).
- The Compensation to the victims of electrical accidents has been converted to exgratia by an order on 13-08-2013 by the erstwhile APERC and the same was not implemented till November 2014. The Field staff did not get intimation till 03-11-2014. Such delay is causing the victims of the electrical accidents to suffer a lot.
- There is no objection to tariff hike but services should be improved.
- Meters shall be installed at feeders instead of agricultural motors to capture the agricultural consumption.
- On query of Member (Technical) of approaching CGRF, he told that ex-gratia issues are not dealt in CGRFs.
- Requested that an official in Director cadre needs to be appointed to look into issues of Consumers/ Farmers.
- Toll free number be linked up with a system where the consumer is given proper information regarding complaints, application fee etc.
- Elaborate procedure of IVRS be reduced and be made available only in Telugu.
- Loose conductors are causing accidents and there is a long procedure to give a complaint. To this Chairman told that a procedure be suggested to reduce the process.

### **Smt. Rajam Ganesan of Consumer Care Center**

- Meter readers are not coming on time.
- Pointed out that there are long queues in EROs and the number of bills accepted for payment be reduced to 2 or 3 per person.
- Suggested that spot collection can be done like in water works department.
- Revenue Recovery Act etc should be used to collect the dues from default consumers.
- Importance of Energy conservation should be spread among consumers.

### **Dr.L.Muralidhar of Jana Vignana Vedika**

- 'Prevention is better than Cure' and therefore is of the view that conservation of power should be the prime factor and this should be brought to consumers with publicity and awareness.
- Farmers should be educated to reduce accidents and deaths.

### **Professor S.Jeelani of Center for Distance & Virtual Learning, HCU**

- According to survey of UGC all the 10 districts of Telangana are backward in educational field. The main reason being lack of equipment , power supply etc.
- Educational institutions should be given continuous supply and a separate category be created.
- Number of slabs are more in domestic and tariff for consumption of more than 200 units is high.
- Every house should be encouraged for solar usage. To this Member (Finance) told that Haryana has made solar mandatory for urban areas , which can be followed here also.

Chairman told Sri.Nageswara Rao of FETSIA to give a representation on the issues of Small Scale Industries. To this he told that

- 50 % penalty charges during peak hours is taxing the consumers and Discoms are not adhering to the order of the Government. To this CMD/TSNPDCL told that a GO is to be issued. Sri. Nageswara Rao told that atleast till that time GO, officials may be instructed not to disconnect.
- For expansion of power CEIG department is blocking and delaying the work and it needs to be eliminated from the process. To this Chairman told that the same can be brought in Public Hearing and Member (Technical) told that it has to come from Government. Delay in penalty of CC charges should be per day basis but not for whole month and Member (Technical) told that it is being looked into.

Chairman asked CMD/TSNPDCCL to respond to the queries for which he replied in the following manner:

- They have targeted to meter agricultural feeders and found that the difference between ISI and this method is only 2 to 3 % .
- Accidents is unfortunate and some cases are because of mishandling /repair/half knowledge of consumers. To avoid such cases , cell phones were given upto linemen and contact numbers are printed on every transformer structure.
- Some accidents are also because of usage of substandard cell phones, poor earthing etc.
- Every step is being taken to reduce accidents due to faulty earthing, loose conductors etc.
- Efforts are made to replace transformers within 24 hours instead of 48 hours. Rolling stock is kept available even at section offices.
- There is a reduction of transformers failures by 50%.
- All unauthorized agriculture connections are being regularized.

Chairman told that any additional views can be sent to the Commission Secretary and they will be taken into consideration.

The meeting concluded with Vote of Thanks by Secretary.

Sd/-  
SECRETARY