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Kamineni Steel & Power India Pvt. Ltd.

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For perusal

Secretary
Date: 28.03.2016
Member/T ✓
Member/F ✓
Chairman ✓

DDIT
31/3

To,

The Chief General Manager (Commercial and RAC),
TSSPDCL, Corporate Office,
Ground Floor, Mint Compound,
Hyderabad – 500063

Sir,

Sub: Objections/suggestions to the Public Notice regarding ARR filings and Tariff/Charges.

Ref: Public Notice issued by the TSSPDCL dated 10-03-2016, related to the filing of ARR and Tariff proposals including cross-subsidy surcharge proposals.

We would like to introduce “Kamineni Steel & Power India Pvt Ltd” (KSPL) as a manufacturer of high quality alloy steel billets, with a state of the art 350,000 MTPA Steel Mill. The plant is located in Narketpally, Nalgonda District, Telangana State. Our equipment includes a 60 MT Electric Arc Furnace (EAF), 60 MT Ladle Refining Furnace, 60 MT Vacuum Degasser and a Continuous Casting Machine for the production of square billets (140 sq.mm to 220 sq.mm) and round billets (140 mm diameter to 320 mm diameter).

We produce steel billets/bloom through the Electric Arc Furnace (EAF), Ladle Refining Furnace route. One of our basic process inputs is the Electric Power needed for melting. This accounts for around 30 - 40% of our product costs. We are incurring high cost towards the power and look forward to a reasonable policy structure for this type of industry.

We would request you to take forward the following, with reference to the recently issued public notice for tariff policy (dated 10.03.2016), given by the South Power Distribution Company of Telangana Limited (TSSPDCL):

MEMBER (T) PESHI
No : 302
DATE : 29/3/16

1. Relief from minimum demand and energy charges. For instance at our contracted MD of 45 MVA, we are required to pay a minimum of approximately Rs 2.4 crores per month, regardless of the operating status of the Steel Plant.

MEMBER (F) PESHI
No : 310
DATE : 30/3/16

2. The minimum demand and energy charges, based on the CMD, may be waived when the plant is not in production.

3. Lowering of tariff for bulk consumers, especially the manufacturing plants where one of the basic process inputs is electric power.

CHAIRMAN PESH
No : 346
DATE : 30/3/16

4. As mentioned in the new tariff, night time rebate would be 0.55 Ps. /Unit (from 11.00 pm to 6.00 am). But the TOD charges are Rs. 1.0 / Unit, for both the peak hours. Let the night time rebate also be Rs. 1.0 / Unit, to promote off peak usage, as was given in other states.

TSERC, HYDERABAD
INWARD
D.NO. 466
28 MAR 2016
No. 466 Signature



5. Special Rebate for supply at EHV, for 132 kV and above. 1% rebate on Energy charges is given in other state.
6. Special Rebate for P. F. (when P.F is greater than 0.95); for every 1% rise above this, there would be a 0.5 - 1.0 % reduction in energy charges.
7. Deration on contracted demand may be done without any reference to clearance of pending bills or dues.
8. Deemed consumption charges (Minimum demand) may not be levied during the disconnection period.
9. Relief from cross-subsidy charges so that power intensive industries may avail power available at cheaper rates on open access.
10. To this end a separate category may be created for Electric Arc Furnace Based Steel Producers on the lines of Ferro Alloy Units.

Thanking you.

Yours sincerely
For Kamineni Steel & Power India Pvt Ltd

A.V.S Suresh

A.V.S. Suresh
Project Head

Copy To: Commission Secretary/TSERC