



The Federation of Telangana Chambers of Commerce and Industry

(Formerly known as FTAPCCI)

ISO 9001:2015

Empowering Industry, Commerce & Trade

Registered under the Companies Act, 1956

REGD OFFICE : Federation House, Federation Marg , 11-6-841, Red Hills, Hyderabad 500004, Telangana. India. Tel : 91-40-23395515 to 22 (8 lines), Fax : 91-40-23395525
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CIN U91110TG1964NPL001030

Meela Jayadev
President

Suresh Kumar Singhal
Sr Vice President

R.Ravi Kumar
Vice President

FTCCI/2023-24/Energy/183

Date: 17.10.2023

The Secretary,
TSERC,
5th Floor, Singareni Bhavan,
Red Hills, Hyderabad - 500 004

Dear Sir,

Sub:- Submission of additional comments on Resource Plan of 5th and 6th Control Period (FY 2024-25 to FY 2028-29 & FY 2029-30 to FY 2033-34) – Reg.

The Federation of Telangana Chambers of Commerce and Industry is hereby submitting additional comments, objections and suggestions on Resource Plan of 5th and 6th Control Period (FY 2024-25 to FY 2028-29 & FY 2029-30 to FY 2033-34) for consideration of Hon'ble Commission.

We request the Hon'ble Commission to allow us to present the comments in person during the Public Hearing.

Thanking you,

Yours sincerely,

T Sujatha
Dy. CEO



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BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION
At its Office at 5th Floor, Singareni Bhavan, Red Hills, Hyderabad – 500 004

FILING NO._____/2023

CASE NO._____/2023

In the matter of:

Filing of Business Plan of the 5th and 6th Control Period (FY 2024-25 to FY 2028-29 & FY 2029-30 to FY 2033-34) in accordance with the Clause 38 of “Telangana State Electricity Regulatory Commission (Distribution License) Regulation, 2016”.

Responses of The Federation of Telangana Chambers of Commerce and Industry to the Replies Given by TSDISCOMS (on 16/09/2023) on FILING OF RESOURCE PLAN OF 5TH AND 6TH CONTROLS PERIODS

PRELIMINARY

On the direction of the Honorable Commission during the hearing on 1st September 2023, TSDISCOMs have uploaded their replies to our Objections to their RESOURCE PLANS FOR 5TH & 6TH CP on 16-09-2023. Our objections were and are centered in logically understanding the basis . But we note that ,

- A Business plan and investment plan for 5th & 6th CP has been made without a review of 4th CP performance.
- A demand forecast has been made on a trend analysis which considering changing consumption patterns amongst consumer categories is likely to be unreliable and when modern forecasting tools including AI should be adopted .
- No plans mentioned for a arrangements to sell surplus power in 5th CP and to augment supply in 6TH CP to meet the shortage despite a proposed investment of over Rs 73,000 CR. during the 5th and 6th CP.
- We have attempted to go through the substantial data and excel sheets (close to 75 pages) filled even to circle level. We have tried to see any scientific link dovetailing it the demand forecast made in the 5th and 6th CP.

We will explain our continuing concerns in the following paragraphs referencing it to the DISCOM replies in same SERIATIM as given in our 12 th July 2023 objection filing.

DISCOM Replies to our 12th July Objection statement as under:

1. **INTRODUCTORY COMMENT** : Our queries on the shortages in 6th CP AND Surplus in 5TH CP despite a huge investment of Rs 73,000 CR. is not clear or satisfactory specifically replies to a & b would appear to be an attempt at stonewalling .In fact DISCOM replies for our c & d paragraphs is exactly our apprehension of levy of fixed charges on assets with SHORTAGE OF ENERGY TO SUPPLY .Their reply *“Considering the above stated time constraints and challenges of ensuring demand of electricity, DISCOMS have to plan their power generation sources and in discharge of the same TS DISCOMS HAVE*

SIGNED ALL THE PPAs and subsequently approached Hon'ble commission for approval of the same“.

This reply is not clear or satisfactory.

No reply to our query in paragraph (h) an expenditure of Rs2104 CR. by TSTRANSCO during FY23-24 & 23-24 is it part of 4th CP as a budget AVAILABLE or IS IT AN OVERRUN ? The reply to paragraph (l) is NOT clear. BASE EXPENDITURE of Rs 836.96 during FY23-24 is being insisted as 5th CP?

2. OUR APPREHENSIONS OUR STATE ELECTRICITY PLANS

It is trite to say that a sound business plan is a result of through demand forecasting. ANNEXURE 11 Table 1 given in “JUSTIFICATION for the Energy balance of 5th and 6th Control Period is actually the concern if this happens and there are no takers for surplus energy all through the year. The DISCOMS HAVE ADMITTED to this if “Projected sales from I& CAD for LIS IN 5TH AND 6TH CP” should be taken into taken after studying actual vs. Forecast on 4TH & 5TH CP in TABLE 2 ,3 ,4,5 AND 6. The given data realistically that makes we consumers bear the pass-through costs apprehensive. Our concern is what happens if surplus over availability is THE SCENERIO as in Table 6? Possibilities of delay in commissioning of generation capacity or low PLF are there but these should be overcome for least cost to consumer with alternative consumption too rather than low PLF and low demand. Solution is reliable, at 3 sigma or at least 98% plus accuracy forecast with modern forecasting tools. We are not convinced that trend methods are effective methods since we are not in an era of energy shortage and surplus consumers. Today we are looking at a scenario of alternative sources of energy availability with consumer looking for cheaper energy cost, so efficient forecasting methods is imperative.

The forecasting of for LT-V Agriculture at 5% YOY is contrary to Section 4.16 in T.O FY 23-24 “ **CONSUMPTION under LT-V will not go up given that use of bore wells has come down and a rise in canal irrigation** “ Growth of HT – industry due to Mega Textile needs to be verified .CONSIDERING THAT 80% OF THE DEMAND IS DEPENDENENT ON LIS,HT INDUSTRY,LT-V AND DOMESTIC LT,

THE PRAYER TO THE HONORABLE COMMISSION IS THAT THE DEMAND FORECAST HAS TO BE SUBJECTED TO GREATER RIGOUR OF VERACITY AND MORE ADVANCED FORECASTING TOOLS TO TAKE A DECISION ON Rs 73,906 CR. INVESTMENT.

3. STATE ELECTRICITY PLAN FOR 5TH AND 6TH CP WITHOUT A REVIEW OF THE 4TH CP?

DISCOMs have sent a “Detailed Analysis of 4th Control Period “, IN ANNEXURE -1 in their reply dated 16-09-2023. Normally a detailed analysis, as a Review should include:

- a. **A techno-commercial Performance parameter review of Target vs actual.**
- b. **A detailed APPROVED project wise status report on completion date vs. actual position, say June 2023.**
- c. **A detailed APPROVED project wise Status note of Financial budget allocated as approved to current incurred with a report on any over run on time and cost (CAPEX STATUS) , with reasons for any time-cost over-runs and action proposed to avoid the same for 5TH & 6TH CPs.**

We have gone through the 31 pages of the ANNEXURE -1 and below are our comments:

3.1 Review of Techno commercial Parameters: There are some significant positives and in a few other with scope to improve.

- AT&C loss. (Page 20 ,paragraph 6) From a good 8.49% in FY 20-21 ,it deteriorated to 19.72% in FY 22-23 . Reason given “is **due to low collection efficiency on account of Government receivables** “
- T&D LOSS, is at an impressive 12.06%.
- Both SAIDI & SAIFI have improved to 797 &30.48 respectively in FY22-23
- DTR failure rate is at 7.86%, which definitely has to be at less than 1%.

- Average hours of supply is reported to be at 23:58 hrs. This good and shows great effort by the team of TSDISCOMs.

3.2 PROJECTS APPROVED IN 4th CP AND THEIR STATUS IN TERMS OF COMPLETION

We regret this all-important project target completion date and current status is NOT REPORTED AND SILENT ON ITS CURRENT STATUS

3.3 CAPEX APPROVED PROJECT WISE AND CURRENT STATUS

There a passing mention of a need for CAPEX IN PAGE 24 AND in Page 26 & 27 A TABLE showing % variation of CAPEX actual minus approved up to 2022-23 as -47% to -67%.

The explanation is vague and status of % completion in physical terms to % financial terms is not mentioned much less detailed.

IN SUMMARY WE REGRET TO SAY THE 31 PLUS 14 PAGES OF 4TH CP REVIEW IS TRYING TO MAKE US MISS THE FOREST FOR THE WOOD TOTALLY UNSATISFACTORY.

OUR PRAYERS

- In the absence of a proper 4th control period review we believe this application for RESOURCE PLAN for 5th and 6th CP deserves to be rejected.
- We request the Honorable commission to direct the RS 45000 CR. annual revenue earning utilities (DISCOMS AND TRANSCO) to conduct a more rigorous demand forecasting to justify an investment proposal for Rs 75000 CR.