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**दक्षिण मध्य रेलवे SOUTH CENTRAL RAILWAY**

प्रधान कार्यालय / Headquarters Office,  
विद्युत विभाग / Electrical Department,  
चौ.मं.,सी ब्लॉक / 4<sup>th</sup> Floor, 'C' Block,  
रेल निलयम / Rail Nilayam  
सिकंदराबाद / Secunderabad - 500 025

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22/11/18  
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स.नो.ई E.19/5/1/3/TSERC//Vol I

दिनांक Date - 18.01.18  
TSERC, HYDERABAD  
INWARD  
18 JAN 2018  
No. 59 Signature

✓ The Secretary,  
Telangana State Electricity Regulatory Commission,  
D.No.11-4-660, 5<sup>th</sup> Floor,  
Singareni Bhavan Lakdi-ka-pool,  
**HYDERABAD-500 004.**

Sub: Representation against to the proposed tariff for HT-V(A) -Railway Traction category of S.C Railways.

Ref: Public notice issued in the news paper Dated 28.12.2017.

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DISCOMs of Telangana have issued public notice in news paper on 28-12-2017 for the proposed retail supply tariff for the year 2018-19.

The representation against the proposed retail tariff of HT-V (A) -Railway Traction category of South Central Railway is enclosed for kind consideration.

A copy of the representation has also been submitted to Chief General Manager (IPC & RAC), TSSPDCL and CGM (IPC & RAC) TSNPDCL. A Photo copy of the acknowledgement of TSSPDCL is also enclosed.

Apart from this representation, South Central Railway also request to be heard in person during public hearing

Kindly acknowledge receipt.

Encl- Copy of Representations for HT-V(A)

  
(G.V. MALLIKARJUNA RAO)  
CHIEF ELECTRICAL DISTRIBUTION ENGINEER  
SOUTH CENTRAL RAILWAY  
SECUNDERABAD

- 1. Chief General Manager (IPC & RAC), TSSPDCL, Corporate Office, Grond floor, Mint Compound, Hyderabad-500063
- 2. Chief General Manager (IPC & RAC), TSNPDCL, H.No. 2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanmakonda-506001.

PESHI  
MEMBER (P) PESHI  
No. 45  
22/1/18

CHAIRMAN PESHI  
No. 62  
DATE: 22/1/18

**THE OBJECTIONS ON THE PROPOSED TARIFF BY AP DISCOMS FOR H.T. CATEGORY-V (A)  
(RAILWAY TRACTION) FOR THE YEAR 2018-19 ON BEHALF OF SOUTH CENTRALRAILWAY**

Name & Full address of the Objector	Brief details of Objection (s) / suggestion	Objections against Tariff proposal	Whether copy of Objection & Proof of delivery at Licensee's office enclosed	Whether objector wants to be heard in person
G.V.MALLIKARJUNA RAO Chief Electrical Distribution Engineer, South Central Railway, IV floor, Rail Nilayam, Secunderabad-500071	Proposed higher tariff for Railway traction	TSSPDCL TSNPDCL	Yes	Yes

**THE OBJECTIONS ON THE PROPOSED TARIFF BY TS DISCOMS FOR H.T.  
CATEGORY-V A (RAILWAY TRACTION) FOR THE YEAR 2018-19 ON  
BEHALF OF SOUTH CENTRAL RAILWAY**

**1.0** Railways serve the public at large and being a public utility, it should be supplied with electricity at a reasonable price, which would reduce its requirement for diesel by encouraging Railway Electrification.. In the process there would be saving of foreign exchange. It will also prevent upward revision of fares for transportation of passengers and goods by the Railways

South Central Railway avails traction power at 132 KV at 16 Traction sub-stations in Telangana state. The total projected consumption of Railway traction is 598 million units for the year 2017-18 and paying a substantial amount of Rs. 397 Crores to DISCOMs in Telangana.

The Railways are a bulk consumer and pay major revenues to DISCOMs. Hence, the grievances of Railways are to be considered while fixing the tariff for HT-V category.

**2.0 Electrification of more sections in Telangana state :**

By way of electrification of Railway network in Telangana additional infrastructure will be added, resulting into faster movement of goods and passenger traffic. Ultimately there is every possibility of upcoming industries in newly formed Telangana state.

Electrification of 3<sup>rd</sup> line from Ballarsha – Kazipet - Vijayawada section, MMTS – Phase –II, Peddapalli- Karimnagar- Jagityal, Jaggayyapet - Vishnupuram, and Pagidipalli - Nadikudi sections are under progress in Telangana state. Kachiguda- Mahaboobnagar doubling and electrification, Electrification of Medchal – Mudkhed (Upto Basar in Telangana state) have been sanctioned.

In view of new electrification works 7 more traction substations in Telangana at Mattampalli, Manoharabad, Thimmapur, Kothapalli, Miryalaguda, Ramannapet and Mahaboobnagar are going to be commissioned in 18-19 and further consumption will be increased.

**Higher traction tariff slashes Rate of Return (ROR) for the new electrification projects and making them non- viable.**

### **3.0 Traction Tariff Proposed for 2018-19**

- At present the traction tariff is Rs. 390 / KVA (Demand charges) and Rs. 4.05 / KVAh (Energy charges).
- Now, Discoms have proposed the tariff same as 2017-18 without any change in tariff.

### **4.0 Off peak time loads for Railway Traction:**

It is to mention that Railway traction loads are for passenger & goods train services. There is no distinction of peak to non-peak hours. Most of the goods trains are run during night time which is off peak period. This is improving base loads of DISCOMs and supporting the grid stability. Apart from this, Railways is maintaining higher power factor.

As brought out above, the Railway draws substantial supply during off peak period also, thus helping in improving base load and supporting the grid stability. Charging of such higher tariff from Railway is irrational and unjustified. The Railways being a public utility organization, charging at higher rates is unjustified.

Hon'ble Commission is requested to fix tariff reasonably for HT-V (A) category and Cross-subsidy element is also required to be reduced to zero gradually.

Hon'ble commission is requested to consider this aspect while fixing the tariff for railway traction.

## **5.0 Railway option for open access for availing traction power supply.**

- It is brought to the notice of the Hon'ble commission, Indian Railways are already availing power through open access in various states/Railways from RGPPL. Shortly, Indian Railways are planning to avail power from Bhartiya rail Bijlee company ltd. (BRBCL) JV of Indian Railways and NTPC at cheaper rate. As a distribution licensee cross subsidy charges are also not applicable for Railways.
- Due to discriminative policy of Discoms and over burden, Railways as a deemed licensee, already planned to avail power through open access in Telangana state also upto March 2022.
- In view of this, it is brought to your kind notice, Hon'ble Andhra Pradesh State electricity Regulatory commission (APERC) has also fixed reasonable traction tariff as Demand charges Rs. 300/KVA/Month and energy charges Rs. 3.55/KVAh for the year 2017-18 (Equivalent to Rs. 4.74 /Unit) and the same tariff is proposed to continue for the year 2018-19 also.
- In this circumstance, existing and proposed tariff of TS Discoms Rs. 390/KVA demand charges and Rs. 4.05 / KVAh at an average of Rs. 5.60 / KVAh is very high comparatively tariff of AP state ie Rs.4.70/ KVAh. Comparatively, Higher traction tariff of Telangana state, over burden to Railways and prompt paying bulk consumer. The higher tariff of Disoms forcing Railway to go for open access to meet its consumption.

## **6.0 Determination of Cross subsidy surcharge for open access for 2018-19:**

TS Discoms have proposed cross subsidy surcharge for open access consumers as Rs. 1.25 (TSSPDCL) and Rs. 1.00 (TSNPDCL) for Railway traction.

Ministry of Power vide ir. No. 25/19/2004-R &R Dt. 06.05.2014 (Annexure -I) clarified that Railways is a deemed licensee under the third provision to section 14 of the Electricity Act 2003.

It is submitted that, National Tariff Policy was notified on 28.01.2016 with a clause regarding exemption of cross subsidy surcharge on Railway has been introduced.

**National Tariff Policy 8.5.1 stipulates "Provided further that the appropriate commission, in consultation with the Appropriate Government, shall exempt levy of cross subsidy charge on the Railways as defined in Indian Railways Act, 1989 being a deemed licensee on electricity purchased for its own consumption."**

In view of this, Hon'ble commission is requested to exempt Railways as a deemed licensee from payment of cross subsidy surcharge as per spirit and compliance of guidelines of National Tariff Policy.

**7.0 Implementation of Unified tariff for Railways for non traction purpose:**

Recently, Maharashtra state electricity distribution company ltd (MSEDCL) had issued revised tariff rates applicable Railway/Metro/Monorail under category HT -III with tariff as follows.

The tariff category is applicable to power supply at high voltage for Railways, Metro and Monorail including stations and shops, workshops and yards etc.

Central Railway and Western Railway in Maharashtra state already converted their existing Non-traction loads like stations, work shops, yards etc to the HT - III category.

TSSPDCL has also proposed a combined single unified tariff to Hyderabad Metro Rail Limited (HMR) with HT – V (B) @ Rs.390/- demand charge and Rs.3.95 per unit to run its operations which includes:

1. Traction Load
2. Access pathways to the station such as elevators, staircases (including escalators) and platforms used for the purpose of boarding the train.
3. Enabling areas such as ticket counters, station office, operation/control rooms, depots and public washrooms located within the station premises(excluding areas allotted for vehicle parking)

Whereas, Railway traction (HT-V- A) has proposed tariff only for railway traction and not included any other loads with railway traction tariff and for non traction loads has proposed in separate categories viz. HT-I, II, III & VI.

Hence, S C Railway is requested to examine the above and issue orders similar to Maharashtra and include other non traction loads in Railway traction category.

## **8.0 Comparison with HMR :**

TSSPDCL proposed tariff for HMR Rs. 390/KVA (Demand charges) and Rs. 3.95 /KVAh (Energy charges) to run its operations which includes

- 1) Traction load
- 2) Access pathways to the station such as elevators, staircases (including escalators) and platforms used for the purpose of boarding the train.
- 3) Enabling areas such as ticket counters, station office, operation/control rooms, depots and public washrooms located

within the station premises (Excluding areas allotted for vehicle parking).

The proposed energy charges for Railway traction tariff of Rs. 4.05 per unit is higher than the HT-V (Metro) category by 10 paise despite the fact that both are availing supply at same voltage level and for the the same services in public transport. As brought out in Para 5.0 above, the Railway draws substantial supply during off peak period thus helping in improving base load and supporting the grid stability. Charging of such higher tariff for Railway is irrational and unjustified as per section 45(4)of Electricity Act 2003.

Hence Hon'ble commission is requested to consider Railways plea and fix the tariff similar to HMR for traction and non traction purpose for all its train operations related activities ie. Including Railway stations, coaching depots, Loco sheds/work shops etc.

## **9.0 CONCLUSION:**

From the foregoing paragraphs, it is evident that the tariff of Railway traction Rs. 390/KVA Energy charges and rs. 4.05 /KVAh for 2018-19 is high and unjustified.

- (i) National tariff policy para 8.5.1states that "**Provided further that the appropriate commission, in consultation with the Appropriate Government, shall exempt levy of cross subsidy charge on the Railways as defined in Indian Railways Act, 1989 being a deemed licensee on electricity purchased for its own consumption.**"
- (iii) Apart from these the Railway traction provides base load, maintained high power factor, and save imported precious oil, apart from speedy, energy efficient and environmental friendly public transport.



(iv) Encouragement for new electrified sections for development of infrastructure in newly formed Telangana particularly and also act as growth engine for the economy of country largely.

**Submission :**

**In view of the above submissions, the Hon'ble commission is requested to consider the Railways plea and it is prayed that,**

- 1. the tariff under category HT- V (A)- Railway traction be reduced from the present level of Rs. 5.60 per KVAh for the above reasons.**
- 2. Unified tariff to be implemented for non traction purpose for Railways.**
- 3. to exempt Railways from levy of cross subsidy surcharge being a deemed licensee on electricity purchased for its own consumption.**
- 4. to give impetus to electification of Railway network, a rebate of at least 10% of energy charges be allowed for a period of 5 years similar to Railway traction tariff Madhya Pradesh and chattisgarh.**

  
**(G.V.MALLIKARJUNA RAO)**  
CHIEF ELECTRICAL DISTRIBUTION ENGINEER  
SOUTH CENTRAL RAILWAY  
SECUNDERABAD



No-25/19/2004-R&R  
Government of India  
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,  
New Delhi, 6<sup>th</sup> May, 2014

To

1. The Secretaries of the State Commissions/JERCs
2. The Secretaries in charge of Energy/Power Deptt. of States/UTs

Subject: Railways as deemed licensee under the Electricity Act, 2003- issue of clarification reg.

Sir,

I am directed to refer to the Ministry of Railways (Railway Board) letter No. 2002/Elect(G)/161/21 Vol-II dated 13<sup>th</sup> March, 2014 and No. 2004/Elect(G)/152/3 Pt-1 dated 27<sup>th</sup> March, 2014 seeking clarification for deemed licensee status to Indian Railways.

2. The issue of granting deemed licensee status to Railways under the Electricity Act, 2003 has been examined by this Ministry in consultation with the Deptt. of Legal Affairs, Ministry of Law and Justice. It is clarified that Railways is a deemed licensee under the third proviso to section 14 of the Electricity Act, 2003.
3. This clarification may be read with other applicable provisions of the Electricity Act, 2003 and policies made thereunder.
4. This issues with the approval of Hon'ble Minister of Power(Independent Charge).

Yours faithfully

(Pranay Kumar)  
Director

Ph: 011-2371 5250

Copy for information to:

1. Chairperson, CEA, R.K. Puram, New Delhi
2. Secretary, CERC/FOR, SCOPE Complex, New Delhi
3. Ministry of Railways (Railway Boards), New Delhi.

(Pranay Kumar)  
Director

Ph: 011-2371 5250

दक्षिण मध्य रेलवे SOUTH CENTRAL RAILWAY



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सिकंदराबाद / Secunderabad - 500 025

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