

**The Secretary
Telangana State Electricity Regulatory Commission
11-4-660, 5th floor
Singareni Bhavan, Red Hills
Hyderabad - 500 004**

November 23, 2021

Respected Sir,

Sub : Submissions in OP Nos.48, 49, 50 and 51 of 2021 in IA Nos. 21, 22, 23 and 24 of 2021, respectively, relating to additional surcharge to be collected from open access consumers for the year 2021-22 filed by TS SPDCL and TS NPDCL

With reference to the public notices dated 2.11.2021, inviting objections and suggestions on the subject proposals of TS Discoms, I am submitting the following points for the consideration of the Hon'ble Commission:

- 1. In OP Nos. 48 and 49 of 2021, TS SPDCL has requested the Hon'ble Commission to accord approval to collect additional surcharge from open access consumers @ Rs.2.01 per kwh for the first half of 2021-22 and @ Rs.2.34 per kwh for the second half of 2021-22. Similarly, TS NPDCL has requested the Hon'ble Commission to accord approval to collect additional surcharge from open access consumers @ Rs.2.01 per kwh for the first half of 2021-22 and @ Rs.2.34 per kwh for the second half of 2021-22. While TSSPDCL has claimed a sum of Rs.174.68 crore for H1 of 2021-22 and Rs.197.83 crore for H2, TSNPDCL has claimed a sum of Rs.174.68 crore for H1 and Rs.197.83 core for H2 of the same year. When consumers of the Discoms opt for open access purchases, the capacities of generation, transmission and distribution networks created for supplying that power to them get stranded till they are utilised for supplying power to the consumers of the Discoms. Therefore, regulations and orders of the Hon'ble Commission provide for collection of additional surcharge from open access consumers by the Discoms till such stranded capacities are put to use to supply power to their consumers. In principle, it is a desirable and fair arrangement. For determining such additional surcharge, the capacities stranded on account of open access consumers need to be substantiated by the Discoms and verified and determined by the Hon'ble Commission.**
- 2. The Discoms have submitted 15-minute block-wise data of backing down generating capacities of generating stations and capacities of transmission and distribution networks stranded and the charges to be paid for the same. Based on the open access sales for the year 2020-21, the Discoms have projected the same for the year 2021-22 and claimed the above-mentioned additional surcharge from open access consumers for the capacities stranded or projected to be stranded during 2021-22. In this connection, the following factors, among others, need to be ascertained:**
 - a) Generation capacities are being backed down due to various factors. If capacities of thermal power station are being backed down due to non-availability of fuel to the extent required, fixed charges have to be paid proportionately for actual**

- generation when it is below the threshold level of PLF. In such eventualities, if the Discoms paid full fixed charges for generation below the threshold level of PLF by the power plants backed down, the additional fixed charges paid for power not generated and supplied below threshold level of PLF should not be allowed and taken into account.
- b) If thermal generation capacities are backed down in order to purchase unwarranted and must-run renewable power under PPAs in force, thereby paying fixed charges for the capacities backed down, whether such payment of fixed charges for deemed generation and related transmission and distribution capacities stranded on account of the same needs to be taken into account for working out additional surcharge for open access consumers be examined and decided.
- c) We have repeatedly raised objections in connection with public hearings on various issues to imposition of interest on pension bonds on consumers of power. Contributions of the employees and management have to be invested/utilised prudently to earn interest thereon, as has been the standard practice in companies both in the public and private sector. Private generating companies with whom Discoms had PPAs have not been claiming interest on pension bonds and the ERCs are not permitting the same. Imposing such interest on pension bonds on consumers of power repeatedly is unfair and irrational. The Discoms have shown interest on pension bonds also as a part and parcel of additional surcharges to be collected for assets stranded from open access consumers.
3. I request the Hon'ble Commission to work out additional surcharges to be collected from open access consumers by the Discoms during 2021-22 in a fair way, after due prudence check, and permit the Discoms to collect the same.
4. I request the Hon'ble Commission to permit me to make further submissions during the public hearing scheduled on 7.12.2021.

Thanking you,

Yours sincerely,

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Convener, Centre for Power Studies
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Copy to :

1. Chief General Manager (RAC), TSSPDCL, Hyderabad
2. Chief General Manager (IPC&RAC), TSNPDCL, Hanamkonda.

