



SRIKALAHASTHI PIPES LIMITED

Regd. Office & Works : Rachagunneri - 517 641, Srikalahasthi Mandal, Chittoor District, A.P.



December 15, 2018

Chief General Manager – Operations
APSPDCL
Tirupati

Dear Sir,

Sub: : Proposed Tariff for the FY 2019-20 – Amendments for consideration.

We Srikalahasthi Pipes Limited are the prime DI pipe manufacturer in the State of AP and our plant is located at Srikalahasthi, Chittoor Dist. This organization provides livelihood for more than 5000 families and contributes to the Govt. exchequer Rs.100 cr per annum in terms of taxes, duties etc., 90% of the Ductile Iron Pipes requirement of AP, being supplied by us.

We are categorized as **Public Utility Services Industry engaged in Water Infrastructure Development in the Country** and we are proud of getting involved in nation building activity.

Power is an important component in DI Pipe manufacturing and constitutes major share in the overall cost of production. We have HT connection TPT-230 with a contracted maximum demand of 14990 kVA and drawing power from Rachagunneri 220/132 kV Sub-station of APTRANSCO.

Further, as a measure of cost reduction initiatives the Company is envisaging to set up a Ferro Alloys Plant to meet the requirement of Ferro Silicon and Ferro Manganese in domestic and overseas markets, besides catering captive requirement of the Company.

Our DI Pipes unit, as a part of steel industry is facing recession for the last two years on account of increasing prices of iron ore and non-availability of required quality, heavy volatility in the prices of coking coal and fluctuations in dollar exchange rate, coupled with reducing selling prices of DI Pipes. Many Steel Units have been closed down or referred to NCLT. Referring to your proposed ARR/FPT for 2019-20, we propose following amendments for your kind consideration.

A. Proposed tariff for HT-I (A) category :

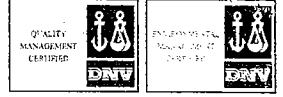
- While we object for the proposed unit rate of Rs.5.44, we also suggest you to review this rate at par with IEX power of around Rs. 3.00/unit.
- To remove TOD charges 100% - (This was introduced during power shortage period in 2012 and now such scenario is not there) Hence TOD charges of Rs.1.05/unit to be withdrawn.
- MD charges of Rs.475/kVA per month to be reduced to Rs.300/kVA per month particularly for 132 KV consumers.

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- d. Cross subsidy charges for open access consumers to be reviewed and should be brought to a nominal level of below 0.50/unit as against the proposal of Rs.1.84/unit, so as to enable buying power from the cheapest source available in the country.

B. Proposed tariff for HT-I B (Energy Intensive Industry) : Our Ferro Alloy Project proposal is kept pending for the last two years on account of prevailing power tariff of Rs.4.95/unit. Now we propose to reduce this tariff to Rs.3.45/unit including MD charges for 132 KV consumers and also to keep this tariff unchanged for the next five years to enable promote setting up new Ferro Alloys units in the state. The system of reimbursement of Rs.1.50/unit from the Govt. to the consumers to be straight away reduced in this tariff to Rs.3.45 per Unit

In view of the facts and circumstances explained above, considering the recessionary trend in the steel industry and to create conducive industrial climate for Ferro Alloy units, we request your goodself to kindly consider our proposal favorably, which will go a long in sustaining operational viability of our DI Pipes unit and also the proposed Ferro Alloys unit. We will be grateful, if you would give us an opportunity for a personal hearing to to put-forth our earnest appeal in detail before your goodself.

A brief statement showing the amendments/ objections in the prescribed format as specified in the Public Notice issued by APERC is enclosed separately.

Thanking you

Yours faithfully

For SRIKALAHASTHI PIPES LIMITED

V. POYYAMOZHI
Director - Operations

✓ CC : Secretary, APERC, Hyderabad

Name & full address of the objector	Brief Details of Objection (s)/ Suggestion(s)	Objections against proposals of APSDCL	Whether copy of objection & proof of delivery and Licensee's office enclosed (Yes/No)	Whether objector wants to be heard in person (Yes/No)
<p>V.Poyyamozhi Chief Operating Officer Srikalahasthi Pipes Limited Rachagunneri – 517 641 Srikalahasthi Mandal Chittoor Dist. AP</p> <p>HTSC # TPT-230</p>	<ol style="list-style-type: none"> Unit charges to be brought down to Rs.3.0/unit to be on par with open access rate for HT-I (A) category To withdraw TOD charges 100%, Rs.1.05 per Unit for HT-I (A) category. MD charges to be reduced to Rs.300/kVA per month from Rs.475/kVA per month for HT-I (A) category Cross subsidy charges for open access consumers to be brought down to below Rs.0.50/unit as against proposal of Rs.1.84/unit. Unit charges to be brought down to Rs.3.45/unit from Rs.4.95/unit for Ferro Alloy Units (HT-I (B) category. 	<ol style="list-style-type: none"> Unit charges for HT-I (A) is not in line with open access rates. Continuing TOD charges in the present scenario of improved power availability is not justifiable. MD charges for HT-I (A) is very high. Levy of cross subsidy charges for open access consumers is not in line with other states, depriving level playing field. Unit charges for HT-I (B) category particularly for 132 KV consumers to be brought down by Rs.1.50 per Unit which is paid as Reimbursement of subsidy 	<p>Yes</p>	<p>Yes</p>