



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
**MINUTES OF THE 16<sup>th</sup> MEETING OF THE STATE ADVISORY COMMITTEE**  
**HELD ON 15-11-2011 IN THE COMMISSION'S OFFICE**

**Present:**

1. Sri A. Raghothama Rao, Chairman, APERC (Chairman)
2. Sri C.R.Sekhar Reddy, Member
3. Sri Devendra Surana, Member [FAPCCI]
4. Sri Thaayi Krishna Rao, Member [Institute of Engineers]
5. Sri Harikishore Reddy, Member [Bharathiya Kisan Sangh]
6. Sri T.V.S.R. Murthy, Member [Electricity Employees Union: 327]
7. Sri A. Rama Koteswara Rao, Member [ESCI]
8. Dr. Muralidhar, Member [Jana Vignana Vedika]
9. Sri. R. Janardhan Reddy, Member [Electricity Employees Union: 1104]
10. Sri Gade Diwakar, Member [All India Kisan Mazdoor Sangh]
11. Sri N. Sreekumar, Member [PRAYAS Energy Group]
12. Sri C.V. Anand, Member [Energy Conservation Mission]
13. Smt Rajam Ganeshan, Member [Consumer Guidance Center]
14. Sri S.K Agarwal, Member [South Central Railways]
15. Sri C. Ramakrishna, Secretary, APERC/SAC
16. Sri. D.R. Vishwanath Rao, Director (Engineering), APERC

**INVITEES:**

- 1) Sri Ajay Jain, CMD/APTRANSCO
- 2) Sri Sri Anantharamu CMD/APCPDCL
- 3) Sri Ch. Narasimha Reddy, CMD/APNPDCL
- 4) Sri Nadeem Ahmed, CMD/APEPDCL
- 5) Sri S. Vishwanatham, Director/APSPDCL [on behalf of CMD/APSPDCL]

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1. The Secretary, APERC (Ex-Officio Secretary of the State Advisory Committee) welcomed the members and briefly recapitulated the important decisions taken at the last SAC meeting and the developments since then. The Committee was also briefed about some of the important activities taken up by the Commission in the interregnum.

2. **The 16<sup>th</sup> SAC Meeting then took up the various issues for discussion as per the agenda.**
3. To begin with, Hon'ble Chairman APERC extended a hearty welcome to the gathering and invited the views, suggestions and opinions of the SAC members for betterment of state power sector. He expressed that Commission is expecting proposals which can translate ideas into practice. Hon'ble Chairman also informed the Members of SAC that the Tariff Orders of APERC have been addressing various issues of Tariff, Engineering and Consumer Service.
4. While initiating the discussion on the current Tariff Order of APERC i.e., for FY 2011-12, **Sri Harikishore Reddy**, of Bharathiya Kisan Sangh, brought the following to the notice of the Commission:
  - (a) That the levy of fixed cost for prawn culture which was not there hitherto is unjust in view of the fact that prawn culture and pisciculture are categorized as 'agriculture' in other states;
  - (b) That shifting salt farming to Cat-V from Cat-III also is unjust;
  - (c) That in spite of the minimum load for availing 3-Ph being reduced to 3HP, APSPDCL is charging the minimum charges for 5HP only;
  - (d) That there is no clarity about the tariff to be collected from LT Lift Irrigation Schemes;
  - (e) That the prescription of minimum load of 500W for Domestic consumers to be eligible for minimum charges of Rs. 25/- does not serve any purpose;
  - (f) That people engaged in prawn culture are being incorrectly booked u/s 135 [theft of energy] instead of booking them u/s 126 of Act [Malpractice] for drawing more power in case of dire necessities;
  - (g) That empowering the concerned ADE/operation to issue Assessment notices is counter-productive and instead the DPEs of DISCOMs should be strengthened;
  - (h) That in spite of repeated requests over the years, there is no parity in the power supply to villages with the Towns/Cities. Villages are still suffering longer power cuts;

- (i) That the regulation on SoPs needs to be modified, duly incorporating things like Electrical Accidents, and increasing the amounts of compensation for non-compliance of SoPs by Licensees;
- (j) That in respect of Tatkal Services, development charges once paid should not be demanded again;
- (k) That demand by the field officers for certificates from MROs in case of requests for change of category is unwarranted;
- (l) That in villages, bills should be made available by 15<sup>th</sup> of every month so as to rectify the problems connected with the disconnections;
- (m) That in spite of several requests, APERC is not arranging the Tariff Orders in Telugu in time.

✓ Intervening at this point, **Hon'ble Chairman** directed the Secretary to ensure that in the mean time at least the English version of the relevant Tariff Order is sent to the respective objectors pending dispatch of Telugu version of the Tariff Order.

- (n) That FSA shall not be levied on Agricultural services;
- (o) That public hearings on the ARR/Tariff filings should not be wound up in a single day for each DISCOM as time is not sufficient;
- (p) That in the ARR/Tariff filings, DISCOMs should give the details of charges being paid to IPPs also;
- (q) That the employees of DISCOMs should be imparted with proper training to give respect to the consumers
  - ✓ **Secretary** assured Sri Harikishore Reddy that such incidents would be brought to the notice of respective DISCOMs for corrective measures.
  - ✓ **Director of APSPDCL** informed the SAC that the issues brought out by Sri Harikishore Reddy would be examined and a report on the relevant issues submitted to the Commission.

5. Joining the discussion, **Sri Devendra Surana of FAPCCI** expressed that:

- (a) The Commercial & Industry sectors consume 30% of power supplied by DISCOMs and pay for about 60% of the revenues; but, the representation of these sectors is not sufficient in SAC.

✓ To this, **Secretary** clarified to him that apart from FAPCCI, representatives from CII & FAPSIA are also included in the current Advisory Committee, but, both of them did not turn up for today's meeting.

(b) Bringing to the notice of the SAC of the poor conditions of the power supply during the last few months, Sri Surana urged that reliable & quality power be supplied to the Industrial & Commercial Services. He pointed out that though the manufacturing sector contributes for 16% of country's economy, it pays for 60% of cost of power and hence Cross Subsidy Surcharge should not be levied on Industrial services.

(c) In the Tariff Order for FY2010-11, taking out 'printing press' from manufacturing sector is not correct.

(d) In times of power shortages industries be given option to avail power supply even at higher rates since in certain needy times, certain industries are taking recourse to generating power using DG sets which was working out to a cost of even Rs 15/- per unit in some cases.

Intervening at this stage, the **CMD of APTransco** stated that-

✓ It is possible to explore the possibility of supplying at least 800 MW of costly power to meet such situations. Industrial Consumers would be invited soon to discuss about the options available for power supply during times of shortages.

✓ There would be shortage of power till May-2012. Keeping this in view, planning for purchase of power under 'medium term procurement' is made. The same is awaiting the approval of the Hon'ble Commission.

✓ There is no water available, both in Nagarjunasagar & Srisailam, to meet the peak load demands.

✓ Orders already have been placed for procurement of power within the ceiling of Rs5.50 per unit, as prescribed by the Hon'ble Commission.

(e) When the DISCOMs are not in a position to supply even 70% of committed power, there is a case for reducing the minimum charges payable.

- (f) 'Time of Season tariffs', may have to be thought of, as an option
6. **Hon'ble Chairman** said that earlier attempts at providing options to industrialists to access costly power have not borne fruit. The initial enthusiasm shown by them for such an option had petered out soon. He further observed that practical problems like different consumers being connected to same feeders, addressing the issues connected with corridor in advance and working out a framework to accommodate all the players etc., shall have to be examined before coming up with proposals to APERC. On the issue of Minimum Demand (MD) charges, he suggested that the whole of MD regime has to be re-looked in the R&C scenario.
  7. **Sri Devendra Surana** suggested that DISCOMs may arrive at a threshold limit as to supply power at normal tariff for consumptions below the limit and at a higher tariff for consumptions above the limit.
  8. **Sri Hari Kishore Reddy** suggested that in case the Time of Season tariffs are introduced, they must be limited to the 'hydel generation seasons' only, otherwise, the DISCOMs would resort to power cuts to the Agriculture services.
  9. **Smt Rajam Ganeshan of Consumer Care Center** suggested that if the DISCOMs can take the necessary steps to curb the theft of energy effectively, at least 20% of the revenue can be realized. While referring to Kasimnagar village of Mahabubnagar District, she said that out of 900 houses in this village, there are only 9 meters. Apart from loss due to theft of energy, there is huge revenue loss due to non-metering of services, she added. Responding to this, the **Secretary** asked the CMD of APCPDCL to arrange for examination of services in Kasimnagar village and submit a report to the Commission. Smt Rajam Ganeshan intimated to the CMDs of DISCOMs that the Linemen of the DISCOMs are the biggest problem in the Power Distribution. She emphasized the need to empower the CGRFs of DISCOMs for a better consumer service.

10. Responding to the remarks of Smt Rajam Ganeshan, the CMD of APCPDCL assured that they would look into the specific case pointed out by Smt Rajam Ganeshan. He further said that, CPDCL has been conducting DTR wise & feeder wise audits to curb the theft of energy. However, he accepted that the distribution network needs to be strengthened
11. Sri Anand of Energy Conservation Mission suggested that the data pertaining to the power plants also may be kept available so as to examine the energy conservation measures being taken up.
12. Sri Sreekumar of PRAYAS Energy group suggested that:
  - (a) DISCOMs should update the status on the new method suggested by the Commission for computation of the Agriculture consumption estimates and the tariff submissions for 2012-13 should be based on the new methodology;
  - (b) Predictability and transparency in load shedding should be brought about. The idea of incentive could also be added by changing the load shed hours based on AT&C losses. The detailed public hearings, orders and ATE proceedings on Maharashtra Load Shedding protocol could be used to initiate a similar process in AP;
  - (c) AP boasts of 100% village electrification, but the rural household electrification was 60% in 2001 and has reportedly increased to 84% as of March 2011 due to RGGVY. This increase is mostly due to free connections to BPL households. Progress with APL households who are expected to approach DISCOMs for connection, has been slow. APERC and DISCOMs should take up proactive initiatives like a 100 x 100 connection drive to give connections to all within 100 meters of the line etc., to ensure universal access;
  - (d) The reports submitted by the DISCOMs on their compliance with the SoPs fixed by APERC are very disappointing. If their reports are to be believed, then, the benchmarks can be tightened. He complained that there is no mention of 'mean time taken to repair a DTR'.

- (e) APERC & DISCOMs should take measures for more consumer participation. KERC allocated about Rs 50L to Rs 100L per DISCOM for Consumer participation Programmes.
  - (f) The experience of Pune in Maharashtra may be studied by DISCOMs & APERC before taking any decisions on the purchase of costly power.
13. **Er Thaayi Krishna Rao of Institute of Engineers** suggested that the proposals of APTRANSCO may be got second checked by engaging professionals as is being done by MERC in respect of the proposals of their respective Transmission Licensee. He also suggested that the DISCOMs may try franchising of select distribution areas as is being done in some states.
14. **Sri S.K. Agarwal of South Central Railways** brought to the notice of the Committee that the tariff for Railway traction is higher when compared to the CoS & to the cost of power purchase. He suggested that the energy efficiency measures being taken up by Railways may be taken into consideration while fixing the traction tariff. He suggested that the HT residential tariff should be in parity with the normal domestic tariff. **Secretary** sought for a clarification from Sri SK Agarwal on the petition filed by Railways in the Hon'ble High Court against the orders of APERC.
15. **Dr Muralidhar of Jana Vignana Vedika** suggested that the Energy Conservation measures should be taken up in a holistic way on top priority. APERC should take up this like a mission and recommend measures in the next tariff order. He informed the Committee that when Jana Vignana Vedika surveyed 2 villages in Mahabubnagar district, majority of power connections were found to be illegal.
16. **Sri Gade Diwakar of All India Kisan Mazdoor Sangh** suggested that the villages surrounding the thermal power plants should be given some incentives. The problems connected with the classification of private & Government Lift Irrigation schemes have to be addressed clearly, he suggested. He also suggested that APERC may arrange for independent surveys on the Industrial Consumptions.

17. **Sri Hari Kishore Reddy of Bharatheeya Kisan Sangh** said that the field staff like Linemen & Jr Linemen is not staying at their respective village HQs and DISCOMs must ensure their presence at their respective places of posting.
18. **Sri TVSR Murthy of 327 Union** informed the Advisory Committee that they are also advising their members to stay at their respective HQs for providing better consumer service. He urged the filling up of all the vacant posts to ensure that the staff strength at the field level becomes adequate to service the increasing number of consumers. He also informed the members of SAC that if the field staff is found to be involved in theft cases Sec-39A of the Act can be invoked against them.
19. Joining the discussion **Sri R Janardhan Reddy of 1104 Union** said that for proper compliance with the SoPs specified, sufficient staff should be recruited; contract system should be abandoned so that responsibility can be fixed up on the regular employees for any irregularities. He suggested that APERC, while issuing the tariff orders, may fix up norms for staff strength too.
20. Later, the **CMD of APEPDCL** gave a presentation on the measures taken up by them for proper compliance with the SoPs fixed by the Commission for providing better consumer service. During the presentation, the **CMD of APEPDCL** said that one of the major challenges in compliance with the SoPs is replacement of failed DTRs in time and EPDCL developed an online model to record the time periods taken for replacements to ensure that replacements happen in time. The members of SAC appreciated the special steps taken up by APEPDCL. **Hon'ble Chairman and CMD of APTRANSCO** suggested that the other 3 DISCOMs may also adopt the model of APEPDCL. While concluding the presentation **CMD of APEPDCL** said that though they could not achieve the specified standards this time, they would put all the efforts to achieve them in the near future.



21. Commenting on the option of supplying costly power to Industrial Consumers, **Hon'ble Member/F** said that the experience of Tamilnadu doesn't inspire confidence. He said that the issues are on supply side and so the task would be to improve supply position. Apart from Industrial consumers, consumers of other categories may also come forward to pay for costly power, he said. He expressed that the aspect of 'Energy Conservation' really deserves a lot of attention, including arranging incentives to consumers who follow energy conservation measures. On Lift Irrigation schemes he suggested that the DISCOMs may approach the GoAP so that they can come out with a clear policy on differentiating Government Lift Irrigation Schemes and Private Lift Irrigation schemes.
22. The meeting ended with a vote of thanks by the **Secretary**.

**SECRETARY**