



SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED
19-13-65/A, Vidyut Nilayam, Srinivasapuram, Tirupati (www.apspdcl.in)

From
The Chief General Manager,
RAC & IPC, APSPDCL, 19-13-65/A,
Vidyut Nilayam, Srinivasapuram,
Tirupati – 517501.

To
Sri P. Vijay Gopal Reddy, Chairman,
Manishreni Ferro Alloy, Sy.No.1302 to 1305,
Thurupupalli Village, Anantarajupeta (P),
Railway Koduru(M), Kadapa Dist.
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Lr No.CGM/RAC&IPC/SPDCL/TPT/GM/RAC/F.ARR.Rep.(30) /D.No. 77 /24 dt. 19 -01-2024

Sir,
Sub :- APSPDCL/TPT – RAC – Replies to objections raised by Sri P. Vijay Gopal Reddy, Kadapa on ARR & Tariff Proposals - Regarding.

Ref:- Party's representation received dt.08-01-2024

Referring to the objections raised by Sri P. Vijay Gopal Reddy, Kadapa on ARR and FPT filings for Retail Sale of Electricity for FY 2024-25, the reply is furnished as hereunder.

At the outset. We commend the DISCOMs for not only Containing the Power Purchase Cost but also reducing it marginally for the year 2024-'25.

Similarly, Aligning the Agricultural Consumption with the Solar Production hours on the Demand side Management. Utilization of available Hydel Projects for Pumped Storage and also promoting substantial investments in Pumped Storage Projects in the State are steps in the right direction. Also Adoption of metering of agricultural Pump sets and the DBT initiative need to be successfully carried forward to their logical end so that the gains percolate into the entire ecosystem.

While the above aspects are encouraging, we are dismayed at the DISCOMs' proposal for higher Power Procurement reflecting higher T& D loss levels (10.34%) than achieved in the current year (10.09%). We are unable to understand that while large investments are being made in strengthening Transmission and Distribution Networks. DISCOMs are planning for higher Losses. Does it imply that, more accurate reading of the Agricultural Consumption in view of metering will bring out the realistic levels! We request Hon;ble Commission to kindly examine.

Reply : The T&D losses projected for the FY 2023-24 is 11.03% and for FY 2024-25 is 10.82%. Hence there is a reduction in projected losses. Further the T&D loss projected for current year is 11.03% and not 10.09% stated by the objector.

It is also to be noted that there is a surplus availability of Energy even at the lower PLF level of operation of APGENCO plants. Additional Power Purchases proposed may be looked into by taking the cushion available by operating at optimum PLF into consideration

Reply : The availability of energy has been forecasted realistically based on actual availability achieved by the generators during the previous periods. The consideration of optimum PLF would induce inaccurate forecast.

In view of the Surplus Potential available, it would be prudent to bring in Load Factor Incentive to promote higher Sales In view of reduced tariff. Consumers will not migrate to open access leading to a win-win situation for both DISCOMs and Consumers.

Reply : A discount of Rs.0.75/- is proposed during ToD off peak period in order to provide incentive to the industrial consumers. Further, provision of load factor incentive is not likely to result in increased sales. Hence the request is not justified.

In the context of Climate Change our State with its long coastline and dependence on Agriculture makes it more susceptible to extreme climate events. Hence we should be more proactive in adopting Climate Change mitigation measures by promoting Renewable Energy in a big way. Fortunately for us the State is endowed with good potential of Wind, Solar and Hydel resources to exploit. No doubt the State Government is promoting Green Hydrogen Mission for both Energy as well as for Production of Ammonia for Fertilizer but there is more room for higher levels of absorption of Renewable Energy. Neighboring State of Tamilnadu is aiming at 75% Energy from RE sources in future as per News Reports and this has to be emulated.

Reply : Suggestion is noted.

Wider Adoption of Rooftop Solar and popularizing KUSUM scheme will benefit large sections of population providing supplementary incomes while creating more employment opportunities and reduce loss levels for DISCOMs also as consumption will be taking place locally which will also avoid need for larger investments on creating Transmission facilities for isolated Mega-Projects.

Reply : Suggestion is noted.

For the Industrial Consumers, the Draft Green Open Access, Charges and Banking Regulations-2023 proposed may be expeditiously adopted as the ISTS charges waiver is a time bound measure and we may miss out the opportunity if delayed. In the draft proposal, a ceiling of 30% of DISCOM consumption has been proposed for Banking of Renewable Energy: We request that to encourage RE adoption and to make our Industry competitive, the Ceiling on Banked Energy may be removed for a few years and meanwhile Energy Storage Infrastructure will be in place given proper support by State Government as VGF and PLI are proposed by Central Government for Energy Storage

Reply : The draft Green Open Access charges and Banking Regulations is not related to the current ARR proceedings.

Coming to the Energy Intensive Category, we are amused that a separate subcategory for PLI Scheme beneficiaries has been created with an Energy tariff of Rs. 4 / KWH without Demand Charges etc. We welcome the promotional offer for new enterprises but are peeved at the ruthless manner the existing Energy Intensive Consumers have been stripped of their benign treatment by introducing Demand Charges Increased Electricity Duty along with a plethora of FPPCA and True up charges at one go until the State Government had come to the rescue of the beleaguered Industry by providing Subsidies towards Waiver of 90% Demand Charges and the Increase in Electricity Duty of 94 paise.

Hence we request the Honble Commission to kindly drop the imposition of Demand Charges for the Energy Intensive Category as it was existing previously and also advise the State Government to exempt Energy Intensive Category from Increase in Electricity Duty in view of their adverse impact by putting the survival of the Sector at risk.

Reply : The demand charges are proposed to the Energy Intensive category in order to recover the fixed charges incurred. Hence, the request to drop demand charges is not justified.

We also bring to the notice of the Hon'ble Commission that the 33 KV Industrial Consumers are being levied higher tariffs disproportionate to their Cost of Service . While the difference in Cost of Service between 33 kV and 132 KV consumers is about 20 paise, the Tariff Difference is about 45 paise implying the 33 KV Consumers have to suffer higher Cross Subsidy burden. Such a treatment of the smaller consumers is against the principles of Natural Justice and is debilitating the vulnerable in scale of operations by resorting to this unjust practice of undue enrichment of DISCOMs

Hence we request Hon'ble Commission to please reduce the Tariff of 33 kV Consumers in line with the Industrial Consumers in TamilNadu, Karnataka and .Gujarat where both the tariffs at 132 KV and 33 KV are almost equal and thereby restore equity in this long pending issue.

Reply : The tariff differential of 45 paise between 132KV and 33KV level consumers is reasonable in view of difference in CoS of 25 paise between 132KV and 33KV voltage level.

Further, it is to inform that, the Honorable APERC is conducting public hearings on ARR filings for FY 2024-25 & Distribution Business for 5th control period through video conference from Conference Hall, APEPDCL, Visakapatnam. The hearings will be held in respect of all the three DISCOMs on 29-01-2024, 30-01-2024 and 31-01-2024 from 10.30 AM to 1.00 PM and from 2.00 PM to 4.30 PM. APSPDCL has facilitated Video Conference at all offices of Superintending Engineer / Operation at district headquarters and at all remaining offices of Executive Engineer / Operation. Specification of the date and time for objector is under the purview of Honourable Commission.

Yours faithfully


Chief General Manager / RAC & IPC

Copy submitted to the Secretary, APERC, 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Lakdikapul, Hyderabad-04