BEFORE THE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4th Floor Singareni Bhavan, Red Hills, Hyderabad – 500 004

OP No. 1 & 2 of 2016

IN THE MATTER OF
Petition requesting the Commission

1. Not to allow tariff hike proposed by DISCOMs.
2. To review power procurement estimates.
3. To review power purchase cost.
4. To conduct a public hearing on PPA with HNPCL
5. Not to allow escalation of fuel costs.
6. To direct DISCOMs to improve safety and avoid deaths due to shocks.
7. To allow the objector to be heard in person before the Commission takes any decision on this application of the DISCOMs.

IN THE MATTER OF
Name and full address of the petitioner:

People's Monitoring Group on Electricity Regulation
139, Kakatiya Nagar, Hyderabad – 500008

Represented by
M. Thimma Reddy
Convenor
People's Monitoring Group on Electricity Regulation
139, Kakatiya Nagar, Hyderabad – 500008

And

Name and address of the Respondents:
Chairman and Managing Director
Eastern Power Distribution Company of Andhra Pradesh Ltd,
Southern Power Distribution Company of Andhra Pradesh Ltd,

BEFORE THE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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AFFIDAVIT VERIFYING THE MEMORANDUM OF OBJECTIONS

I, M. Thimma Reddy, son of Late M. Pothi Reddy do hereby solemnly affirm and state as under:

1. I am the Convenor of the People's Monitoring Group on Electricity Regulation (PMGER), the applicant in the above matter and am duly authorised by the said applicant to make this memorandum of objections on its behalf.
2. The statements made in the paragraphs of the accompanying memorandum of objections now shown to me are true to my knowledge, derived from the Filing of ARR and Proposed Tariffs for FY 2016-17 of the two DISCOMs and the material gathered by PMGER and made available to me and are based on information and advice received which I believe to be true and correct.

Solemnly affirm

Deponent

18 –02 – 2016

Hyderabad

BEFORE THE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

*** 4th Floor Singareni Bhavan, Lakdi-ka-pool, Red Hills, Hyderabad – 500 004**

1.1 The following suggestions and objections are filed in response to the Public Notice published in the newspapers in January, 2016.

Summary of the proposal:

Particulars	**EPDCL**	**SPDCL**	**Total**
Power requirement (MU)	19,085	38,481	57,566
ARR (Rs. Cr)	9,503	18,920	28,423
Revenue at current tariff (Rs. Cr)	8,703	14,573	23,276
Income from proposed tariff (Rs. Cr)	294	489	783
Subsidy expected (Rs. Cr)	506	3,858	4,364

1.2 According to ARR and tariff proposals submitted by the two DISCOMs in Andhra Pradesh 55,565 MU of power need to be procured to meet electricity needs of various electricity consumers in the state during the financial year 2016-17. Transmission, distribution and supply of this power will require annual revenue of Rs. 28, 423 crore. Through the current tariffs DISCOMs will be able to mobilise Rs. 23,276 crore. They propose to mobilise Rs. 782 crore through a tariff hike of about 4% on select consumers. They expect to receive the remaining Rs. 4,365 crore in the form of subsidy from the state government.

Power requirement estimation

Expected consumption growth rate during 2016-17

Particulars	SPDCL
L.T. supply	**8.26**
Domestic	12.02
Non-Domestic	11.23
Industrial	13.57
Agriculture	3.91
H.T. Supply	**26.89**
Industrial	14.02
Non-industrial	15.12
Total (L.T + H.T)	**14.67**

2.1 APDISCOMs' estimation of power requirement for the ensuing year - 55,565 MU - is based on overestimation of consumption growth during that year. In the case of SPDCL over all estimated growth in consumption during ensuing year is double to that of the current year growth rate. In the case of H.T. supply it is more than three times. During 2016-17 SPDCL expects nearly 27% increase in H.T. consumption. We do not think that this is possible. We request the Commission the reappraise electricity requirement during the ensuing year. An overall growth rate of 7.5% may be adopted in estimating electricity requirement during 2016-17.

2.2 Current years experience also shows the need to tone down DISCOMs' consumption estimate. During 2015-16 the Commission brought down consumption estimate by more than 3,000 MU compared to the estimate submitted by APDISCOMs. Ultimately the DISCOMs could not reach even the reduced estimate. While the Commission allowed SPDCL sales of 30,876.50 MU it could reach only 29,484.53 MU. Similarly, in the case of EPDCL against the Commission's target of 16,510.12 MU sales it could achieve only 15,194.83 MU.

2.3 T&D loss front needs improvement. During 2015-16 both the DISCOMs were not able to achieve the target set by the Commission. What is more over the period situation in EPDCL is deteriorating. While T&D losses during 2013-14 stood at 7.89% it increased to 10.13% in 2015-16. What is more during 2015-16 percentage of T&D losses in EPDCL were higher than SPDCL. An improved performance on T&D losses front will help to bring down the quantum of power purchases and corresponding expenditure.

2.4 Both the DISCOMs launched energy efficiency and conservation initiatives. While energy efficiency initiatives related to fans and agriculture pump sets are in the pilot stage in the case of efficient domestic lighting programme considerable progress is achieved. These initiatives need to be taken in to account while estimating future electricity requirement.

Agriculture consumption

2.5.1 It has become a standard practice for the DISCOMs to project inflated agricultural demand and for the Commission to reduce the same and for the DISCOMs to show revised estimates of higher consumption for agriculture. Genuine criticism is being voiced every year that a part of transmission and distribution losses is being included in agricultural consumption. SPDCL has informed that agricultural connections in its area of operation will reach 12,79,495 by the end of 2015-16 and another 50,000 new connections are projected to be given during 2016-17. SPDCL has projected a revised sale of 8392.70 mu during 2015-16 against 8020.16 mu permitted by the Commission and supply of 8720.67 mu (with 7 hour supply a day) during 2016-17 for LT agricultural connections. Similarly, EPDCL has projected a revised sale of 2281.16 mu against 1936.33 mu permitted by the Commission during 2015-16 and supply of 2372.34 mu during 2016-17 for LT agricultural connections, with about 2,11,445 agricultural services existing at the end of September, 2014 and another 13,300 new connections proposed to be released during 2016-17. If the Commission reduces the projected sale of power to agricultural services during 2016-17, the projected revenue requirement and revenue gap would come down.

2.5.2 As usual both the DISCOMs claims to have followed ISI suggested methodology. While SPDCL provided circle wise numbers EPDCL provided DISCOM wise numbers only. Information provided by SPDCL shows wide variation in consumption **(for the year 2016-17)** as shown in the table below:

Circle	No. Pumpsets	Connected load (HP)	Projected Consumption (MU)	Per HP Consumption
Vijayawada	99546	561752	618.03	1100.18
Guntur	95604	468413	567.51	1211.56
Ongole	155366	870004	876.58	1007.56
Nellore	158880	729950	834.09	1142.68
Tirupati	287992	1585022	1390.64	877.36
Kadapa	150825	991265	1454.76	1467.58
Anantapur	237738	1205220	2073.24	1720.22
Kurnool	143544	620272	905.82	1460.36
Total	1329495	7031898	8720.66	1240.16

2.5.3 Annual power consumption per HP varies from 877.36 units in Tirupati circle to 1,720.22 units in Anantapur circle. This variation in electricity consumption in agriculture sector is difficult to comprehend given the fact that power supply is similar in all circles. DISCOM wise annual agricultural consumption per HP at 1,240.16 units appears to be 20% higher than possible consumption under the existing situation. SPDCL also provided information that per HP annual consumption was 975.86 units in the case of paying category services consumption. These services are metered. This is near possible normal consumption. There is need to closely scrutinise DISCOMs' claims about agriculture consumption.

2.5.4 The way ISI methodology is being implemented also raises doubts about the consumption estimates arrived at by DISCOMs. According to SPDCL submission 3311 DTRs serving agriculture loads were metered under the sample study. Out of these metered DTRs 12 month valid data is available in the case of 461 DTRs only. That is only 14% of the meters provided valid data for computation of electricity consumption. Either there is laxity in the working of DISCOMs in reading meters or there are problems with the operation and maintenance of these meters. This raises doubts on the quality of data used for estimation.

2.5.5 Metering all agricultural services would be an ideal measure to overcome this unreliable information. Given the problems in metering and billing each and every agriculture service metering DTRs serving agriculture loads is the better and efficacious alternative. It would be easier to meter 1.5 lakh DTRs instead of 15 lakh agricultural services in the state. But even before that DISCOMs as well as the Commission have to look in to why 86% of the sample DTR meters in SPDCL jurisdiction failed to provide valid data.

2.5.6 SPDCL in its submission (p.64) claimed that capacitors were installed at 89.63% agricultural services. Field experiences show that not even in 10.37% of the cases capacitors were installed. There are definite benefits from installing capacitors. It is high time DISCOMs take this issue seriously. In some cases farmers bought capacitors but did not install them as they do not know how to go about and there was no assistance from DISCOMs.

2.6.1 Regarding **solar pumpsets** SPDCL submitted as follows, "The licensee has erected 1000 Nos. solar pumpsets and planned to erect another 1000 Nos. in the FY 2016-17. The consumer contribution is 11% of the project cost, the MNRE, Govt. Of India provides 33% of the project cost as subsidy and balance 56% is to be borne by the licensee. The licensee has projected payment towards this project in FY 2016-17." (p.57). SPDCL has projected Rs.11.38 crore as expenditure towards this programme. But SPDCL did not provided any rationale for it. In the case of DELP prior approval was obtained from the Commission. But in the case of solar pumpsets the DISCOMs have yet to obtain approval from the Commission for the expenditure in the past as well as projected expenditure.

2.6.2 Under this solar pumpset programme panels will be set up at individual farmer's well to energise pumpset. This programme has serious limitations. One of the important limitations is that as farmers use solar power for about 200 days only out of more than 300 sunny days available and as a result nearly one third of the capacity of the plant will be wasted. Also, given the high cost of solar pumpsets – 11% contribution from farmers will be about Rs. 50,000 – many farmers will find it difficult to participate in it. As an alternative we propose solar plants at feeders meeting agriculture loads. 0.5 MW to 2 MW solar plants may be set up depending on connected load on the feeders. Excess power generated from these plants after meeting agricultural loads can be fed in to the grid. This additional income will bring down financial burden of this programme. As the present subsidy covers 89% of the present cost the same can be used to set up feeder level solar plants. What is more this plant will remain as an asset of DISCOMs during its life of 25 years. Already Maharashtra state government initiated action under such programme. It would be better if APDSCOMs explore this alternative. It would benefit both farmers and DISCOMs.

Power purchase cost:

3.1.1 The Comptroller and Auditor General's Report for the year 2010 clearly brings out excess expenditure incurred in the plants it examined. In its Report for the year 2010 CAG examined RTPP – II, VTPS – IV and Kakatiya – I plants. According to this report excess spending in VTPS – IV was Rs. 350 crore, in RTPP – II it was Rs. 308 Crore (18.78%) and in the case of Kakatiya – I it was Rs. 555.48 Crore (26.74%). Total excess expenditure of these three plants amounts to Rs. 1,213 crore. If other three plants are also examined the total excess expenditure may double to Rs. 2, 400 crore. There was delay of 8 to 15 months in operationalising of these plants. But DISCOMs did not bother to recover liquidated damages from the contractor. According to the terms of the agreement benefits from tax concessions amounting to more than Rs. 2 crore were not returned to the Licensees. For all these plants BGR Energy Systems Ltd was the BOP contractor. Its execution of BOP works at all these plants was mired in controversy. Even CAG commented that undue favour was shown to BGR Company (Para 2.220.2). The electricity consumers in the state are being forced to bear this burden through higher tariffs. We request the Commission to see that this additional expenditure is not allowed and see that fixed cost burden is reduced.

3.1.2 According to APGENCO filings on Generation tariff for the period 2014-19 total fixed cost of RTPP III (210 MW) is Rs. 1,170.26 crore. Per MW fixed cost of this plant comes to Rs. 5.57 crore. Similarly, in the case of Dr.NTTPS IV (500 MW) total fixed cost is Rs. 2.038.67 crore and per MW fixed cost in this case comes to Rs. 4.08 crore. Though both the plants were set up at the same time per MW fixed cost of RTPP III is 36.5% higher than the Dr.NTTPS plant. This shows the need to scrutinize the costs incurred by the RTPP III plant. We request the Commission not to allow high fixed costs of RTPP III.

3.1.3 In the case of capital cost of RTPP – II plant CAG in one of its earlier reports as mentioned above found that Rs. 308 crore, constituting escalation of costs by 18%, were spent over and above than allowed. In the background of this finding the above excess capital cost of RTPP III unit becomes even more significant. We request the Commission not to allow this cost escalation in both the units.

3.2.1 For each unit of Damodaram Sanjeevaiah Thermal Power Station (DSTPS) (800 MW) Rs. 1,484.45 crore is being paid as fixed costs. Per MW fixed cost payment comes to Rs. 1.86 crore. This is two times the fixed cost of the costliest thermal plant of APGENCO – RTPP III. Per MW fixed cost payment to RTPP III during 2016-17 stands at Rs. 0.87 crore. Per MW fixed cost payment to Dr. NTTPS IV during 2016-17 stands at Rs. 0.29 crore. The inflated fixed cost of DSTPS shall not be allowed.

3.2.2 DSTPS plant was erected during the same time as that of Thermal Power Tech Corporation of India Ltd (TPTCIL) plant. Both the plants are located in Nellore district. While unit fixed cost of DSTPS stands at Rs. 2.83 that of TPTCIL stands at Rs. 1.76. DSTPS fixed cost is 60% higher than that of TPTCIL. The variation in fixed cost is too wide to ignore.

3.2.3 We would like to know on what basis fixed costs of DSTPS are decided. As this plant is kept out of the jurisdiction of APERC we would like to know whether APDISCOMs and APGENCO/ AP Power Development Corporation obtained CERC's approval for PPA for procurement of power from DSTPS units.

3.3.1 There seems to be confusion in projecting availability and dispatch of power during 2016-17 from gas-based private power projects. Even while claiming that they have shown projection up to the date of expiry of the PPA in the case of Spectrum project, i.e., up to 18.4.2016, the DISCOMs have shown availability of power from the gas-based IPPs as 3054 mu and dispatch of 3048 mu under projection for 2016-17 (at page 52 of ARR of SPDCL) and availability of 2007.38 mu and dispatch of 2003.49 mu from the four gas-based IPPs of GVK, Spectrum, Lanco and BSES during the same period (at page 150). Why is this difference of about 1000 mu between the projections made as above and what is the factual position?

3.3.2 For the year 2016-17, the DISCOMs have shown higher fixed costs for GVK, Spectrum and Lanco Kondapalli projects (page 150 of ARR of SPDCL) against the fixed costs determined by the Commission for the year 2015-16 as given below:

	For 2015-16 fixed by Commission	For2016-17 shown by DISCOMs
GVK	Rs.8.08 crore	Rs.81.42 crore
Spectrum	Rs.34.67 crore	Rs.74.64 crore
Lanco Kondapalli	Rs.28.03 crore	Rs.65.02 crore

3.3.3 Instead of fixed costs coming down year by year, why have the DISCOMs enhanced the fixed costs to be paid to the above three projects abnormally for the year 2016-17 against the fixed costs determined by the Commission for 2015-16? Since the PPAs of these projects expired and no renewal of these PPAs has taken place with the consent of the Commission, on what basis the DISCOMs are proposing to purchase power from these projects, paying such higher fixed costs during 2016-17? It is to be noted here that, against a fixed cost of Rs.9.91 crore determined by the Commission for BSES project for the year 2015-16, the DISCOMs have shown a reduced fixed cost of Rs.4.48 crore for the year 2016-17.

3.3.4 PPA with GVK is already expired and PPAs with Spectrum and Lanco will expire during this financial year. Pending buy out or R&M agreements with these plants the Commission may determine adhoc tariff. This adhoc tariff shall be based on depreciated capital costs and incentives for power generation above 85% PLF unlike the existing 68.5%. As fixed costs of these plants are already recovered Foreign Exchange Rate Variation (FERV) shall not be allowed.

3.3.5 As gas allocation for these plants continues power generated from these plants shall be supplied to AP only and developers of these plants cannot trade power from these plants outside.

3.4.1 In the case of **Hinduja National Power Corporation Ltd**, (HNPCL)the DISCOMs submitted as follows, "M/s. HNPCL has filed an application vide O.P.No. 21/2015 before Hon'ble APERC for determination of tariff of 1040 MW Coal fired Thermal Power Plant to be set up at Visakhapatnam under cost plus basis and the hearings are under progress. Pending determination of Tariff by APERC, M/s. HNPCL has claimed the variable cost per unit of Rs. 1.8/kWh and fixed cost of Rs. 2.16/kWh at 85% availability for FY 2016-17." (SPDCL, p.48)

3.4.2 We request the Commission to hold public hearing on PPA with HNPCL.

3.4.3 HNPCL was allowed to set up power plant through MoU route. Under sovereign guarantee offered by the central government HNPCL received many favours. It was expected to set up the plant in 1990s itself. Because of its failure to set up power plant in time DISCOMs in the past were forced to procure power in the open market at higher price burdening consumers in the state. To compensate the consumers in the state liquidated damages should have been recovered from HNPCL. Instead of penalising it for its failure to set up the plant in time it has been rewarded with high fixed charges.

3.4.4 Capital cost of HNPCL plant is clouded in secrecy. They did not reveal information even to the consultant appointed by the Commission. In the recent past Sri. E.A.S. Sarma, IAS (Retd.) – who in the past had worked in the electricity departments of both Government of AP and Government of India – had written several letters to the GoAP as well as utilities on irregularities in setting up the HNPCL plant including its capital cost. These disturbing aspects demand a public hearing on PPA with HNPCL.

3.4.5 Fixed cost of HNPCL was expected to be benchmarked with second unit of NTPC's Simhadri Plant. Unit fixed cost of second unit of NTPC's Simhadri Plant is Rs. 1.65. The same unit fixed cost shall be allowed in the case of HNPCL plant also.

3.5 Since international crude oil prices have come down drastically to about $ 30 per barrel, the prices of Naphtha also must have come down. Instead of allowing LVS unit to continue to remain idle, it may be examined whether it is prudent to allow it to generate power with Naphtha and purchase the same.

3.6.1 Against projected availability of 66,839 mu for 2016-17, availability of non-conventional energy is estimated as 4964.74 mu, out of which solar power is 1463 mu and wind power is 2911.38 mu. Against the projected sale of 50,733 mu, purchase of 4965 mu of NCE works out to 9.79 per cent out of which purchase of 1463 mu of solar power works out to 2.88 per cent. The obligation of DISCOMs to purchase 5% of NCE out of their total consumption (sales), including 0.25% of solar power under Renewable Power Purchase Obligation (RPPO) order issued by the Commission. When the DISCOMs can confine to purchasing 2536.50 mu of NCE (5%) including 126.825 mu (0.25%) of solar power to meet their obligations under RPPO during 2016-17, purchasing an excess NCE of 2429 mu at exorbitant tariffs imposes avoidable additional burden on the consumers and is unjustified.

3.6.2 To avoid this additional burden, for the renewable power over and above RPPO rate of 5% only pooled cost shall be paid and the remaining cost shall be recovered by DISOMs/GENCO through renewable energy certificates (RECs).

Variable costs

3.7.1 For the financial year 2016-17 for variable costs for AP & TS GENCOs and Central generating stations, the DISCOMs have considered 3% escalation over the actual variable costs during the first half year of 2015-16, though the Commission had rejected similar proposals of the DISCOMs made in the ARR proposals for the current and earlier financial years. There is no justification for such hypothetical escalation. On the contrary, under the UDAY scheme, the GoI has committed to rationalization of coal prices linked to gross calorific value, rationalization of coal linkage, increased supply of domestic coal, etc. As a result of implementation of such measures and consequent reduction of usage of imported coal, variable costs, thereby power purchase costs, are likely to come down and with increase in plant load factor with availability of additional coal, per unit fixed cost of power generated also may come down. Since international crude oil prices have come down drastically, the prices of natural gas, linked as they are to the same, are likely to come down further with the policy of the GoI to revise the same once in every six months. This also is likely to contribute to reduction of variable costs. Therefore, we request the Commission to reject the proposal of the DISCOMs for 3% escalation in variable costs for 2016-17.}

3.7.2 Coal based thermal power plants in AP continue to depend on imported coal to meet its fuel requirements. APGENCO is burdening electricity consumers in the State as a result of imprudence in conceding higher coal import and transportation charges. The existing contracts under which APGENCO was importing coal had become outdated in the face of the sharply declining coal prices in the global markets. APGENCO has been paying very high coal transportation charges by patronising a few favourite contractors for the last several years. It appears that the unit rail-sea-rail freight being paid by APGENCO is three times that being paid by the Telangana GENCO to the Shipping Corporation of India (SCI). Even after negotiating with the contractors recently, APGENCO has been able to secure only a marginal reduction in the freight cost. We request the Commission not to allow excess fuel costs due to imprudence of APGENCO.

3.8 While projecting availability of surplus energy of 9274 mu for the year 2016-17, the DISCOMs have assumed that 800 MW (or 7142 mu) of surplus power can be sold through bilateral contracts and open market from June, 2016 at an estimated average price of Rs.4.90 per unit. They have also projected the average power purchase cost for 2016-17 @ Rs.3.97 per unit after considering revenue from sale of surplus energy. At the same time, the DISCOMs have proposed to purchase 575 mu against projected availability of 822 mu (may be under obligations of contracts they had already made for short-term purchases even without seeking consent of the Commission) from the market @ Rs.5.17 per unit, (they projected to purchase 2335 mu from the market @ Rs.5.17 per unit during the second half of 2015-16). What is the reason for proposing to sell surplus power @ Rs.4.90 per unit on an average and purchasing additional power from the market @ Rs.5.17 per unit on an average? Have the DISCOMs completed discussions with Power Trading Corporation of India for sale of proposed surplus power of 7142 mu and if so, at what price? From the submissions of the DISCOMs it is evident that the maximum ceiling price of Rs.5.70 per unit fixed by the Commission for purchase of short-term power during 2015-16 has turned out to be higher. Ignoring the offer of supply of power from 1.4.2015 onwards under the existing long-term PPA from "cheaper source" like Thermal Power Tech, the decisions of the GoAP in forcing the DISCOMs to enter into contracts for purchase of power on short-term basis at a higher cost of Rs.5.17per unit on an average have turned out to be imprudent and unwarranted. Therefore, I request the Commission to direct the DISCOMs to avail themselves of the power from available "cheaper source" and avoid purchase from market during 2016-17 and the Government to bear the additional financial burden that may arise as a result of cancellation of contracts for short-term purchases, if already entered into, or of purchasing such projected short-term power at higher cost and selling at lesser cost in the market during 2016-17. Since the DISCOMs are not seeking true up claims for the year 2015-16, it may be made clear to them that claims for true up for 2015-16, if they make in future, will not be considered by the Commission.

3.9 Fixing ad hoc tariff in the tariff orders for purchase of power from projects, without insisting on the DISCOMs and developers of concerned power plants to submit PPAs, holding public hearings and issuing orders thereon by the Commission, is not a desirable practice. When developers take two to three years for completion of their projects, there need not be any difficulty in entering into PPA with the DISCOMs and submit the same to the Commission for its consent in time. For example, the request of Hinduja project, which was selected through the MoU route, to the Commission to determine the capital cost of its 1040 MW project at Visakhapatnam and ad hoc tariff, without concluding its PPA with DISCOMs and submitting the same to the Commission for its consent after holding public hearing deserves to be rejected by the Commission. We request the Commission to direct the DISCOMs and developers of projects concerned, including AP GENCO, to submit their PPAs well before declaration of COD, holding public hearings and issue its orders thereon, determining tariff, etc.

T&D Cost

4.1 The DISCOMs have considered the transmission costs for 2015-16 and 2016-17 as approved by the Commission in the transmission tariff order for the third control period from 2014-15 to 2018-19. The Commission, in its order in O.P.No.13 of 2015 dated 7.11.2015 on the true-up claims of AP Transco for the second control period, has directed it to refund a sum of Rs.271.34 crore to APSPDCL and APEPDCL in the form of adjustment in the transmission charges that become payable by the two DISCOMs during 2016-17 at 50% of the transmission charges that become payable each month, till such liability is totally discharged. Have the DISCOMs deducted that amount from the transmission costs considered by them for the year 2016-17? If not, I request the Commission to deduct Rs.271.34 crore from the transmission costs considered by the DISCOMs for the year 2016-17.

4.2 It was reported that joining UDAY scheme would lead to increased fund availability under IPDS and DDUGY to strengthen transmission and distribution network. As GoAP and utilities have entered in to agreements with GoI under UDAY scheme we would like to know the progress of works under IPDS and DDUGY schemes pre and post signing of the said agreement.

4.3 We also would like to know its impact on electricity tariff.

Electrical accidents

DISCOM	2014-15				2015-16 (Up to September '15)			
	Human		Animal		Human		Animal	
	No. of fatal accidents	Ex-gratia paid	No. of fatal accidents	Ex-gratia paid	No. of fatal accidents	Ex-gratia paid	No. of fatal accidents	Ex-gratia paid
EPDCL	152	58			85	35		
SPDCL	228	56	101	53	162	54	160	43
Total	380	114			247	89		

5.1 EPDCL did not provide information on electrical accidents involving animals. SPDCL did not provide information accidents involving department personnel. In the case of fatal accidents involving non-department persons EPDCL provided the information on number of cases in which it took responsibility and the number of cases in which it did not take responsibility. SPDCL did not provide such disaggregated information.

5.2 According to DISCOMs' filings during 2014-15 380 persons died due to electrical accidents and during first half of 2015-16 already 247 persons died due to electrical accidents. It appears AP along with Telangana is keeping up its ranking as one of the states with highest number of deaths due to electrical accidents. Such high number of deaths can only be attributed to insensitivity of the licensees to this human tragedy. We request the Commission to direct the licensees to do a detailed analysis of the causes of these fatal accidents and prepare detailed action plan to eliminate them at the earliest.

5.3 Every year less than one third of the accident victim families are receiving ex-gratia. We request the Commission to direct the licensees to expedite payment of ex-gratia by simplifying and streamlining procedures. There is also the need to enhance the amount paid under ex-gratia. Recently Telangana DISCOMs increased ex-gratia amount to Rs. 4 lakh. APDISCOMs also may increase the ex-gratia amount accordingly.

Tariff proposals

6.1 The DISCOMs have requested the Commission to increase the duration of security deposit of consumers from the current two month charges to 75 days charges in case of monthly billing. Since the DISCOMs are getting monthly bills paid within 15 days after raising the same and sometimes are getting rebate on payments made to suppliers of power much before due date depending on the financial position of the former, the present security deposit of 60 days is fairly enough. Moreover, as and when power consumption of consumers exceeds a specific level, the DISCOMs are collecting additional security deposit. Therefore, we request the Commission to reject the proposals of the DISCOMs to increase security deposit of consumers to 75 days charges.

6.2 The DISCOMs have proposed to implement monthly billing of all rural domestic consumers who are currently being billed on a bi-monthly basis and claimed that this would improve their finances due to higher collection of minimum charges and reduction in receivable days. In rural areas Linemen also attend to billing and bill collection work. If billing is changed to monthly from bi-monthly billing work load of linemen due to billing will increase and they will not be able to attend to consumers' problems. Already consumers in rural areas are suffering due to lack of technical help at ground level. Monthly billing in rural areas may be taken up after filling all vacancies of linemen and junior linemen posts and creation of additional posts to meet increased work load due to shift to monthly billing in rural areas.

Prayer to the Commission:

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