

## TAMILNADU ELECTRICITY CONSUMERS ASSOCIATION

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TECA: 2012/2013/DB/109

June 6, 2013

### CIRCULAR

To

The Members,

Dear Sir,

Sub: TNERC order on non-compliance of the directions of this Commission and that of Hon'ble APTEL in the matter of Transmission and Distribution loss by TANGEDCO.

You may be aware that TECA had filed an appeal against TNERC Tariff order No.3 of 2010 dated 31.07.2010 before APTEL vide appeal No. 192 of 2010 and Hon'ble APTEL had passed an order dated 28.07.2011 partly allowing our appeal.

In our appeal we had informed APTEL that TNEB has not furnished the actual T&D losses in its petition. It is clear from the impugned order that the tariff has been determined on assumed T&D loss of 18% which is not as per the Tariff Regulations. Even in a situation where the exact figure of T&D losses is not available, an accepted methodology should have been adopted and applied.

APTEL in its order had stated that

"We find that even though the agriculture consumption has been revised by the State Commission according to its assumptions but the base level T&D losses of 18% as estimated by TNEB have been retained. These T&D losses, in our opinion, are not correctly assessed. However, the T&D loss trajectory fixed by the State Commission for the Control Period appear to be following good industry practice and, therefore, we do not feel prudent to interfere with the same. The progress of installation of meters by the first respondent is far from satisfactory. We have given some directions to the State Commission regarding completion of study on assessment of un-metered consumption and also installation of consumer meters and energy accounting and audit meters in para 10.7 and 10.8 for necessary action.

10.7. *We agree that T&D losses have been assumed without the metered data or on the basis of any scientific study to assess the unmetered consumption. The first respondent despite instructions from the State Commission has not come out with a proper study. However, the State Commission has revised the agriculture consumption based on its own assumption and CEA formula to work out the total consumption and the power purchase requirements. The State Commission in the impugned order has directed the first respondent to*

*come out with a study on assessment of unmetered consumption. The State Commission should monitor and get the same expedited.*

- 10.8. *The State Commission is also directed to review the progress of installation of consumer meters and energy accounting and audit meters and ensure that the 100% metering is achieved well within the approved time frame.*

Accordingly TNERC in its Tariff Order No, 1 of 2012 directed TANGEDOCO vide para No. 11.2 to complete the exercise being done by TANGEDCO for accurate measurement of T&D Loss and unmetered agricultural consumption before October 31, 2012 and submit the findings to the Commission before December 1, 2012”.

In spite of the clear direction by APTEL, and TNERC, TANGEDCO has not conducted any scientific study with the approval of the TNERC and has not submitted the estimate of unmetered consumption / T&D loss details to the Commission.

This is a clear violation of Regulation 73(2) of Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005. T&D loss calculation is one of the most important parameters for determination of tariff and the TANGEDCO has not complied with the Regulations as well as directions given repeatedly by the APTEL and this Commission. Hence TNERC reserves the right to initiate a separate proceeding under section 142 of the Electricity Act, 2003 for this violation.

The Hon'ble Commission had initiated Suo Motu Proceeding No.3 of 2013 against the TANGEDCO in view of non-compliance of the directions of this Commission and that of Hon'ble APTEL in the matter of Transmission and Distribution loss by TANGEDCO and passed an order dated 04.06.2013 directing TANGEDCO to conduct a third party scientific study to arrive at the reasonable consumption of unmetered services and thereby the technical losses of their network in the following manner.

- (i) DT metering with AMR facility shall be provided at least in one feeder feeding agricultural services predominantly in each circle of the TANGEDCO. Similar metering shall be installed/made available at the Sub-Station end of the 11KV / 22KV feeders.
- (ii) Similar arrangements may be made to measure the consumption of Hut Services.
- (iii) To calculate the LT line loss, similar DT metering and feeder metering shall be done at least in one feeder which has considerable LT network with 100% consumer metering.
- (iv) The online measurement taken for a period of one year shall be used to arrive at the voltage wise T&D losses for the respective FY. Such data shall be submitted once in every 2 months to the Commission starting from October 2013

We are enclosing herewith the TNERC Order for your ready reference.

With Warm Regards,

D. Balasundaram  
President