

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
(Constituted under section 82 (1) of the Electricity Act 2003)
(Central Act 36 of 2003)

PRESENT:-

Thiru.K.Venugopal Member
and
Thiru.S.Nagalsamy Member

S.M.P.No.3 of 2013

Tamil Nadu Generation and Distribution
Corporation Ltd.
(TANGEDCO)
Rep. by its Chairman and Managing Director
NPKRR Maaligai
144, Anna Salai
Chennai – 600 002.

.. Petitioner
(Thiru P.H.Vinod Pandian
Standing Counsel for TANGEDCO)

Nil VsRespondent

Date of hearing : 12-04-2013

Date of order : 04-06-2013

1. The Commission had initiated Suo Motu Proceeding No.3 of 2013 against the petitioner 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.
2. The APTEL in its order dated 28-08-2011 in Appeal Nos.192 & 206 of 2010 issued the following directions to the Commission in respect of T&D losses:

“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”.

3. Regulation 73(2) of TNERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 on T&D loss is reproduced below:

“Appropriate sample study with the approval of the Commission shall be conducted to estimate the consumption in unmetered services so that distribution losses are estimated fairly accurate”.

4. The Commission in its Tariff Order No.1 of 2012 issued the following direction regarding T&D losses:

“11.2 The Commission directs TANGEDCO 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”.

5. However, the TANGEDCO has not furnished any such consumption / T&D loss data till January 2013. In its ARR filing made during February 2013, the TANGEDCO claimed a T&D loss of 21.60% for FY 2013 and 21.16% for FY 2012 (excluding wheeling). But their claim was not supported by any data.
6. In spite of clear direction by the Hon'ble APTEL as well as by the Commission, the TANGEDCO has not conducted any scientific study with the approval of the Commission and submitted the estimate of unmetered consumption / T&D loss details to the Commission. On an earlier occasion, TANGEDCO had informed that they have engaged Anna University for conducting Transmission and Distribution loss study. No progress has been reported on this study so far.
7. Since the T&D loss is one of the important parameters for processing the tariff petition of the TANGEDCO, the Commission initiated the Suo Motu Proceedings No.3 of 2013. On hearing the TANGEDCO on 12-04-2013, the Commission issued the following direction.

“TANGEDCO is directed to furnish the sample data for agricultural supply, the DT metered data for estimating the consumption of huts and agriculture on sample basis by 17th April 2013. Further details as required will be called for to enable the Commission to arrive at the T&D losses. The system improvements in the subsequent years along with target for loss reduction shall also be furnished along with the above data. The discrepancy in the petition filed on 19-2-2013 and the subsequent details furnished on 21-2-2013 shall be reconciled. The losses shall be projected with and without

wheeling energy for open access captive consumers. The details be furnished to enable the Commission to arrive at the voltage wise losses.”

8. In response to the above direction, the TANGEDCO filed an affidavit along with voltage wise loss and related data for the year 2012-2013 and line loss projection for the year 2013-2014. In their affidavit, the TANGEDCO has also reported that the DT meter data were collected only for few months and more DT meter readings are to be taken so as to have more accurate estimate and hence suggested that the sample data may be considered as reference for the present tariff petition.
9. For the purpose of ARR determination, the Commission accepted the data subject to prudent check. However, the Commission has not accepted the line loss arrived at by the TANGEDCO based on the data furnished by them for the reasons discussed above.
10. It is pertinent to note that in spite of clear instructions issued by the Hon'ble APTEL and the Commission, the TANGEDCO has not conducted the scientific sample study with the approval of the Commission to estimate the consumption of unmetered services. 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 Hon'ble APTEL and this Commission. This

Commission reserves the right to initiate a separate proceeding under section 142 of the Electricity Act, 2003 for this violation.

11. The Commission now directs that the TANGEDCO shall 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 atleast 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 atleast 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.

12. TANGEDCO has not submitted the T&D loss details as specified in the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2005 in their Tariff Petition T.P 1 of 2013. However, as mandated by the Act, the Commission is bound to issue the tariff order subject to prudent check of the data furnished by TANGEDCO. Till 2010, the TANGEDCO (the erstwhile TNEB) was reporting only 18% as T&D

loss. Only during the tariff filing in November 2011(for the FY 2012-13) the TANGEDCO claimed a T&D loss of 17.60%, 19.14% and 18.74% for the FY 2011, FY 2012, and FY 2013 respectively. Since the TANGEDCO has not conducted the T&D loss study as per the Regulations and the directions of the Hon'ble APTEL and this Commission, the Commission cannot accept the same. The Commission in its Order No.1 of 2012 dated 30-3-2012, had adopted the T&D loss of 17.6% for 2010-11 and 17.2% for 2011-12. Commission adopted T&D loss of 16.80% for 2012-13. By the same analogy, T&D loss of 16.40% is approved for 2013-14. As and when the TANGEDCO comes out with the scientific study on T&D loss as specified in the Regulations, the Commission may review and refix the T&D loss norms subject to prudent check. If no study report is submitted for consideration of the Commission, T&D loss for FY 2014-15 shall be reckoned as 16% and for FY 2015-16 shall be reckoned as 15.6%. Out of the above T&D loss limit, the distribution loss shall be arrived at after deducting the transmission loss as approved by the Commission in the respective tariff order.

13. Appeal:-

An appeal under section 111 of the Electricity Act 2003 against this order shall lie to the Appellate Tribunal for Electricity within a period of 45 days from the date of receipt of a copy of this order by the aggrieved person.

(Sd.....)
(S.Nagalsamy)
Member

(Sd.....)
(K.Venugopal)
Member

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission