



APSEB ENGINEERS' ASSOCIATION

(Regd. No. 874 of 1795)

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Vijayawada,
30-10-2017

To,

The Secretary (I&I, Energy),
Government of Andhra Pradesh,
A.P.Secretariat, Velagapudi,
Vijayawada.

Respected Sir,

Sub: APSEB Engineers' Association – Survival of APGENCO,
APTRANSCO and APDISCOMs – Immediate Remedial
action – Reg.

APSEB Engineers' Association wishes to bring to your
kind attention and immediate necessary action on the following
issues.

- Backing down of APGENCO units: Off late it is observed that APGENCO units are backed down for various reasons such as
 - (a) Low in the merit order list due to high variable cost
 - (b) Availability of RE power
 - (c) Lack of coal etc.,

Needless to mention APGENCO is a precious public asset which is created to serve the consumer with a service motive. Now the commercial power producers, RE Generators have entered the field and manipulating the situation (in the form of fixed and variable cost) to back-down the APGENCO Units. When the consumer is made to pay Unit cost, this breaking down in to two components is devised only to hoodwink the consumer who is now forced to pay two fixed and one variable cost to benefit the private power producer. If only Unit cost is considered, that is one fixed and one variable cost then APGENCO price will be cheaper than many. The Inflated coal cost/inflated coal transport or poor coal management is putting the APGENCO units to a pathetic situation where they are rested. The AP State unnecessary enthusiasm in RE Power has made the power sector to enter contracts for huge addition of RE power,

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contrary to provision of CERC (upto 25% by 2020-21). Further the consumer is heavily losing because of this unplanned decisions viz., (i) the wind power in A.P. is Rs.4.84 per unit where as the present market price is Rs.2.64. Similarly, the cost of solar power is ranging from Rs6/- (N.P.Kunta) to Rs. 3.75 (APGENCO) whereas the present market price is Rs.2.62. There is an immediate need to revise all the PPA entered with the RE Generators as the difference in the PPA price and the market price runs into thousands of crores of Public money. Just because somebody signs "The PPAs" they cannot be treated as sacred documents but shall be subjected to revisions in such of these situations. There is an urgent need for correcting this pricing policy. Further the cost of coal in terms of transport, cost of coal and coal management in the last 10 years may be studied and a report may be made public as **APGENCO survival is at stake.**

- **It is also pertinent to note that the wind and solar plants are commissioned with the support of APTRANSCO Engineers and the highest levels are interfering whenever any small problem arises. It is relevant to note that the RE Power generation so far achieved, is only because of the co-operation and co-ordination of AP Power Sector Engineers and now since the Government is thinking to privatise all the services, as a token of resentment, none of the Engineers working in APTRANSCO will attend any trouble shooting in these private owned substations.**
- The AP Government has repeatedly promised to sanction some additional posts (based on work load norms the sanction will be much higher) for capacity addition. Even these sanctions did not materialise so far. The sanction of posts are linked to Bifurcation of employees.
- The Government is unable to solve the bifurcation problem and the Telangana relieved employees are going through the harassment and mental agony. Even the AP. Power sector assets located in Hyderabad which are legally assured by the AP Re-organisation Act are not under AP Custody and about Rs 1000 crores is lost in this way. Further the Telangana Electricity dues amounting to Rs 5000 Crores are not realised.
- There are some personnel who are occupying more than one post which is against the rules and regulations. They have not appeared any test came through back door methods. This bad culture is to be corrected immediately. Otherwise it is sending wrong signals to the employees. Action shall be taken on this issue immediately.
- The A.P State Government is requested to look in to the selection of outsourced personnel in the existing manning system under the APTRANSCO control.
- APTRANSCO is maintaining 99.96% transmission availability with the existing system which is the highest in the country and earned many awards for this so far. Manning of the sub-stations is presently done by the construction contractor for one year and the outcome of this experiment is not established. Now by giving all the functions including O&M, Maintenance, MRT etc., to outsourcing, the benefits accrued either financially or from performance point of view shall be declared.

- The whole country including the Hon'ble CM applauded the commitment, response and efficiency of APTRANSCO employees during Hud Hud cyclone. It is pertinent to note that CM has warned the private telephone companies for non-compliance of either restoration work or their poor response during Hud Hud and they never cared or bothered the Hon'ble CM's threats or showed any concern for the public sufferings. If some such calamity repeats, this so called private agencies will not be able to deliver.
- APTRANSCO is constructing the sub-stations and lines efficiently at reasonable cost. APTRANSCO is able to meet the targets of AP Government much ahead of many Government departments, be it Lift Irrigation Projects or natural calamities. Therefore TBCB model shall not be enforced on APTRANSCO and further, the CRDA NETWORK shall also be taken up APTRANSCO only.
- The existing employees are working to their best ability with least man power and without promotions compared to TS state electricity employees. Still the employees are not divided and are on order to serve basis. The TS Govt is encouraging the state owned power utilities by giving them good incentives in the form of Promotions, recruitment, increments etc., Whereas the AP Govt employees are lacking promotions, recruitment and now the very survival of the sector itself.
- APERC has fixed the tariff of wind Energy at Rs.4.84 by considering a PLF of 23.5%. Now it is observed that the wind generators are achieving a PLF of 33 to 35%. Therefore the tariff has to be lowered keeping the higher PLF into account. Karnataka and Tamilnadu States have reduced the tariff on these lines.

It has become a practice in APTRANSCO AND APDISCOMS to outsource the manning of newly constructed substations since man-power is not recruited. Since the managements could not counter the menace of the politicians infringing the public appointment domain, the managements are handing over of this manning of the substations to the substation construction contractors. It is a well-known fact that all these posts which are in public domain are sold for a consideration by the politicians against the constitution. Now further rubbing salt into the wound, steps are being taken to hand over O&M, Maintenance, security along with manning to private persons. This is in gross violation of the tripartite agreement as well as against the interest of public and these type of decisions will derail the industrial peace and harmony.

Keeping the above in view, the AP State Government is requested to take necessary steps to avoid

- i) Backing down of APGENCO Units.**
- ii) Revise the Wind and solar Tariff on par with Market price.**
- iii) Reduce the tariff of wind energy as per the increased PLF.**

- iv) Sanction of additional posts as per work load norms.
- v) Not to hand over the services of APTRANSCO to private persons.
- vi) TBCB model shall not be introduced and the CRDA network shall be done by APTRANSCO only in the existing system.
- vii) Limit the persons to the norm "One person one post" in APGENCO & APTRANSCO.

Needless to mention that, if the Government goes ahead on the above issues and the situation does not improve, which this Association feels that the AP Government is wilfully weakening the power sector, this Association reserves the right to start agitation without any further notice.

Thanking and assuring you of our co-operation at all times.

Your's faithfully,



M.Vedavyasa Rao
Secretary General.

Copy submitted to :

1. Chairman and Managing Director (APTRANSCO)
2. Managing Director (APGENCO)
3. Chairman and Managing Director (APSPDCL) / Tirupathi
4. Chairman and Managing Director (APEPDCL)/ Visakhapatnam
5. Joint Managing Director (Finance, Comml., IPC, HRD & IT) / APTRANSCO