



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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From
Secretary, APERC,
4th Floor, Singareni Bhavan,
Red Hills, Hyderabad-500004

To
The Chairman & Managing Director
APEPDCL, P&T Colony, Seethammadhara
Visakhapatnam – 530 013

The Chairman & Managing Director
APSPDCL, D.No:19-13-65/A,
Srinivasapuram, Tiruchanoor Road,
Tirupati – 517 503

Lr.No. APERC/E- 267/DD-Dist/2017 dated 12-10-2017

Sir,

Sub:- Regulation No. 3 of 2017 - Implementation of Tariff for Startup operations and maintenance for generating plants – Reg.

- 1) M/s Steel Exchange India Limited, M/s. SGAPIPL and M/s. Sarda Metals and Alloys Limited made a representation to the Commission for implementation of tariff provision mentioned in the Regulation No. 3 of 2017.
- 2) The DISCOMs were implementing different tariff rates for generating plants. The billing for power plants is being done under HT-I industry category, HT-II commercial category and for some power plants net off is done. The DISCOMs and developers also made representations on this issue to the Commission. The Commission has examined this issue and in order to have a uniform tariff, addressed this issue in the Regulation No. 3 of 2017.
- 3) The relevant legal provisions are explained hereunder for understanding of DISCOMs:

Section 2(15) of the Electricity Act, 2003 is reproduced as under:

"2 (15) "consumer" means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be"

- 4) The APTEL in its judgment in Appeal No. 166/2010 stated that a generating power plant cannot be treated on par with other consumers and the relevant Paras 48 and 49 are extracted hereunder:

"48. Further, consumer as defined in the Act is a person who is supplied with electricity for his own use. Here startup power is supplied to Respondent -I to startup its generating unit. Once generating unit is synchronized with the grid, the power so generated is supplied to Appellant. Without startup power, generators cannot start and produce power. Thus, in way, startup power is supplied for the benefit of Appellant only. From this point of view, a generator taking startup power from distribution licensee and supply power to same licensee on startup, cannot be termed as a consumer.

49. In light of above discussions a generator requiring 'startup up power' from the grid cannot be termed as a consumer."

- 5) Considering the above, the Commission has fixed a tariff of Rs 11.77/unit for FY 2017-18 and the relevant Para 17 of Regulation No. 3 of 2017 is extracted hereunder:

"17. Extension of power supply for startup operations or for plant maintenance:

APTRANSCO/DISCOMs shall extend power supply to all these generating plants either at Low Tension (LT) or at High Tension (HT) as desired by the power producer/ Developer for maintenance, startup operations and lighting purpose. The tariff for these plants for FY2017-18, shall be charged at the rate of Rs 11.77/unit without any fixed charges and minimum charges. The DISCOMs shall file tariff proposals under section 62 of the Electricity Act, 2003 in the ARR proposals of FY 2018-19, for supply of electricity to this type of generating plants."

- 6) As per the Para 17 of Regulation No. 3 of 2017 the DISCOMs have to file a separate tariff for startup operations, maintenance and for lighting purposes in the tariff proposals for FY2018-19. In the tariff order to be issued for FY2018-19, the Commission will specify terms and conditions applicable to this category along with the tariff rate.
- 7) In view of the above, the DISCOMs are directed to implement the tariff rate mentioned in the Regulation No. 3 of 2017 with effect from the date of its publication in the Andhra Pradesh Gazette i.e., 06-06-2017 and report compliance by 26-10-2017.

Yours faithfully,


12/10
SECRETARY (i/e)

Copy to

M/s. Steel Exchange India Limited, Vadlapudi Post, Visakhapatnam.
M/s. Shri Girija Alloy & Power (I) Private Limited, Peddapuram, E.G.Dist.
M/s. Sarda Metals & Alloys Limited, Kothavalasa, Vizianagaram.