



## ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

#11-4-660, 4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004

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From  
Secretary,  
APERC,#11-4-660,  
4<sup>th</sup> Floor, Singareni Bhavan,  
Red Hills, Lakdi-ka-pul,  
Hyderabad - 500 004.

To  
The Chairman & Managing Director,  
APSPDCL, Corporate Office,  
Behind Sreenivasa Kalyana Mandapam,  
19-13-65A, Kesavayanagunta,  
Tirupathi - 517 501.

The Chairman & Managing Director,  
APEPDCL, P&T Colony,  
Seethammadhara,  
Near Gurudwara Junction,  
Visakhapatnam - 530 013.

Lr.No.APERC/Secy/Dir(Tariff)/F:57/D.No.964/2016,Date:14-11-2016.

Sir,

Sub:- Energy, Infrastructure & Investment Department - Ferro Alloy sector -  
Extension of certain support to AP Ferro Alloy Industry - Directions under  
Section 108 of the Electricity Act, 2003 - Consequential Orders - Issued.

- Ref:-
1. G.O.Ms.No.148 Energy, Infrastructure & Investment (Power.I)  
Department, dated 31-10-2016.
  2. G.O.Ms.No.133 Industries and Commerce (Policy & Investments)  
Department, dated 17-10-2016.
  3. G.O.Ms.No.31 Industries and Commerce (IP & INF) Department, dated  
25-02-2016.

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On the recommendations of a Group of Ministers constituted under  
G.O.Ms.No.1844, GA (Cabinet) Department, dated 18-06-2015, the Government of  
Andhra Pradesh issued orders under reference No.3 cited extending the power cost



reimbursement at the rate of Rs.1.50 Ps., per unit for Ferro Alloy Industries in the State for one year from the financial year 2016-17, as a special case.

2. Again, on the recommendations of the said Group of Ministers, the Government of Andhra Pradesh directed under reference No.2 cited, the Energy Department to permit payment of arrears mounted during the closure period of the Ferro Alloy Units in instalments within 24 months and adjust power incentive at the rate of Rs.1.50 Ps., in the Consumption Charges bills itself and the Industries Department in turn pay the required sum to the Distribution Licensees.


3. Considering the above referred two matters to be involving the public interest and to be requiring appropriate orders from the Andhra Pradesh Electricity Regulatory Commission, the Government issued directions under Section 108 of the Electricity Act, 2003 under reference No.1 cited requesting the Andhra Pradesh Electricity Regulatory Commission to issue appropriate orders on the above two benefits to enable the Distribution Licensees to provide the same.

4. In this regard, Section 65 of the Electricity Act, 2003 provides that the State Government shall, notwithstanding any direction which may be given under Section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licensee or any other person concerned to implement the subsidy required to be granted to the class of consumers in the tariff determined by the State Commission and provided for by the State Government.



The proviso to section 65 also mandates that no such direction of the State Government shall be operative if the payment is not made in accordance with Section 65 and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the Commission in this regard.

5. A.P. Electricity Regulatory Commission (Electricity Supply Code) Regulation No.5 of 2004 provides in Regulation No.4.4 that in case the consumers do not pay the bills by the due date mentioned in the bills, additional charges for delayed payment of bills shall apply as per tariff orders issued from time to time. Regulation No.4.6 provides for the grant by a licensee at its discretion, the facility of payment of arrears bills by instalments. Regulation No.4.6.1 clarifies that grant of instalment facility shall not affect the liability of the consumer to pay additional charges for delayed payment as per tariff notifications issued from time to time, till full clearance of arrears. In the Tariff Order on Tariff for Retail Sale of Electricity during FY2016-17 issued on 31-03-2016 by the Andhra Pradesh Electricity Regulatory Commission, it is provided in Chapter-XII, Part 'B' Clause 6.7 that the Licensees shall charge the Delayed Payment Surcharge (DPS) per month on monthly consumption charges only at the rate of 5 paise/Rs.100/day or Rs.550 whichever is higher. In case of grant of instalments, the Licensee shall levy interest at the rate of 18% per annum on the outstanding amounts, compounded annually and both shall not be levied at the same time.



6. The above referred to provisions of the statute, the regulation and the tariff order shall regulate the manner in which the directions of the State Government under Section 108 of the Electricity Act, 2003 have to be given effect to herein.

Accordingly,---

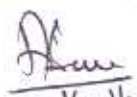
- (i) The power cost reimbursement at the rate of Rs.1.50 ps., per unit for Ferro Alloy Industry in the State of Andhra Pradesh for one year for the FY2016-17 shall be given effect to for the remaining part of the financial year from now by adjustment and deduction in the consumption charges bills to be issued from the date of this order i.e.,14-11-2016.
- (ii) The claim for payment of the said subsidy due from 01-04-2016 till now under the consumption charges bills so far issued shall be forthwith made by the Distribution Licensees to the Industries and Commerce Department of the Government of Andhra Pradesh which shall be paid to them forthwith in compliance of the references 1 to 3 cited.
- (iii) The claim so made by the Distribution Licensees to the Industries and Commerce Department of the Government of Andhra Pradesh for the period from 01-04-2016 up-to-date shall be deducted from any arrears of consumption charges due from the respective Ferro Alloy units and if no such arrears are due from the respective Ferro Alloy units, they shall be deducted and adjusted in the future consumption charges bills to be issued from now till the entire benefit is adjusted.
- (iv) The claim for such subsidy arising from the date of this order shall be promptly made by the Distribution Licensees to the Industries and Commerce Department of the Government of Andhra Pradesh and the said department shall forthwith comply with the same and make payment.



- (v) The Distribution Licensees shall permit the respective Ferro Alloy industry consumers to pay the arrears of the consumption charges accrued till the date of this order with interest in 24 (twenty four) equal monthly instalments, each instalment being payable by the due date for payment of the regular monthly consumption charges commencing from now.
- (vi) In the event of any default by the Industries and Commerce Department of the Government of Andhra Pradesh in making payment of the subsidy, the Distribution Licensees are at liberty to approach the Andhra Pradesh Electricity Regulatory Commission for necessary consequential action for recovery of such dues in accordance with Law.

The Distribution Licensees and the Industries and Commerce Department of the Government of Andhra Pradesh shall report compliance with the above statutory orders expeditiously.

Yours faithfully,

  
14.11.2016  
SECRETARY *vc*

Copy to:

1. Chief Secretary to Government of Andhra Pradesh-for favor of information.
2. Principal Secretary, Finance Department, Government of Andhra Pradesh- for favor of information and necessary action.
3. Secretary to Government and CIP, Industries and Commerce Department, Government of Andhra Pradesh-for strict compliance.
4. Director of Industries, Industries and Commerce Department, Government of Andhra Pradesh-for strict compliance.
5. Principal Secretary, Energy, Infrastructure and Investment, Government of Andhra Pradesh-for necessary action.
6. Adviser to Principal Secretary, Energy, Infrastructure and Investment, Government of Andhra Pradesh- for favor of information.
7. The AP Ferro Alloys Producers Association, Hyderabad-for favor of information