

ANNEXURE - B

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ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
HYDERABAD

O.P.No. 1075 / 2000

Dated: 20-06-2001

Between:

Suo motu proceedings initiated by the Commission ... APPLICANT

AND

1. M/s. Satyamaharshi power corpn,
MIG -2,Block No.14,Plot No.10,
Baglinagampally
HYDERABAD.
2. M/s. Matrix power (P) Ltd.,
Plot No.33, No:257, Road No:2,
Banjara Hills,
Hyderabad.
3. M/s. Jocil limited,
P.B.No:216,
Arundalpet,
Guntur-522002
4. M/s. Velagarudi power generation (P) Ltd.,
H.No.5-600,
Ashok nagar,
Bandar Road,
Vijayawada.
5. M/s. Explair Industries Ltd
(Co-generation) S.No.308,
Plot No. 1B/2,
Sri Venkateswara Industries estate,
Jeedimetla,
Hyderabad- 500 085.
6. M/s. Sudha Agro Industries,
P.B.No.9,
Samalkot- 533440,
7. M/s.Sree Paper Ltd.,
(Co-generation) 25-8-1, Jayakrishna power,
AB Buildings, Rajamandry-533105

O.P.No. 1075/2001

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8. M/s. Roshini Power Projects,
E-506, Keerthi Apartments,
Ameerpet,
Hyderabad - 500 038.
9. M/s. Vani annapurna Power (P) Ltd.,
H.No.8-3-899/8,
Kamala puri colony
Hyderabad .500 073
10. M/s. Clarion Power projects Ltd.,
141, Avenue # 8, L.V. Prasad Marg,
Banjara Hills, Hyderabad -034
11. Sri.G.Mohan Rao
M/s. Jyothi Bio Energy Ltd.,
Aniciates 307,Liberty plaza,
Basheerbagh, Hyderabad - 500 064,
12. M/s. Agro Gold Farms Ltd.,
40-1-21/21,4th floor,
Celhike complex, M.G.Road
Vijayawada -520010
13. M/s. Vensar power projects
H.No.1-11-252/A/3,
Jabbar Apts,
Begumpet
Hyderabad -500 016,
14. M/s.Usha Gowthami Industries Ltd.,
D-3-D-12, Industrial estate
Moula Ali, Hyderabad -500 040,
15. M/s. Perpectual Energy Systems Private Ltd.,
G-5, Amrutha Ville,
Rajbhavan Road,
Hyderabad.
16. M/s. Shalivahana constructions,
Minerva House-94,
Secunderabad - 500 003.
17. M/s. Rithwik power project (P) Ltd.,
Plot No.1295, Road No.63,
Jubilee Hills, Hyderabad -500 082

18. M/s. S.L.S. Power (P) Ltd
3/544, Laxmipuram
Nellore-524 002.
19. M/s. Aishu Power Limited,
Progressive Towers,
PSR Floor, 6-2-913/914
Khairthabad, Hyderabad - 500 084
20. M/s. Circars textiles Limited,
28, Navodaya colony
Road No.2, Banjara Hills,
Hyderabad - 500 034
21. M/s. A.P.Power Projects Ltd.,
114, Amrutha Mills,
Rajbhavan road
Hyderabad -500 082
22. M/s. Saro Power and Infrastructures Ltd.,
19-2-217/2, MIR
Alam Tank Road,
Hyderabad -500 064
23. M/s. Gayatri Energy Systems Ltd.,
Corp.Office - Plot No.775-K,
Road No.45, Jubilee Hills,
Hyderabad
24. M/s. Gowthami Bio Energies Ltd.,
P.B.No- 7,
Pydiparru
Tanuku - 334211.
25. M/s. Sri Power Company Ltd.,
Plot - 401, Puram Complex,
4th floor, 7-1-200,
Satyam Talkies Road
Ameerpet, Hyderabad -500 016.
26. M/s.Rayalaseema Green Energy,
K.P.S Complex, 9/427,
Station Road, Gooty - 515 402.
27. M/s. Suchan Powergen (P) Ltd.,
Chandanagar,
Hyderabad - 500 050.
28. M/s. Matta Cements Ltd.,
503,Topaz Buildings,
Punjagutta, Hyderabad - 500 482.

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29. M/s. R.R.Bio Energy Ltd.,
2-2-23/221/15,
Bagh Amberpet,
Hyderabad - 500 013.
30. M/s. Coastal Agro Industries,
(Co-Generation)
P.B.No. 27, Tanuku - 534 221,
Andhra Pradesh.
31. M/s. Jeypore Sugar com.,(Co-Generation)
Chagallu (V),
W.G.Dist
PIN - 534342.
32. M/s. Kalyani Agro Products & Industries
(Co-Generation)
Prathipadu(V), PentaPadu (M),
W.G.Dist - 534 146,
33. M/s Delta Agro Chemicals Ltd,
Sani Narasannapalem,
Hanuman Junction Post,
Krishna Dist.
34. M/s. Balaji Agro Ltd.,
D.No.74-2-19
Near Old Check Post Centre,
Krishna Nagar,
Vijayawada - 520 007
35. M/s. Vani Power Projects Pvt. Ltd.,
Angalakuduvu,
Tenali Mandal
36. M/s. Gayatri Sugar Co.Limited, (Co-Generation)
Plot.No. 74, Nagarjuna Hills,
Punjagutta, Hyderabad-500 082.
37. M/s. Palm Tech (I) Ltd
69-4-2/1, Upstairs,
Opp. Boat's Club,
Pithapuram Road,
Kakinada - 533 003.

38. M/s. N.C.S Gayatri Sugars Ltd
TCR Towers, 6-3-1090,
Raj Bhavan Road,
Somajiguda
Hyderabad - 500 082
39. Sri B. Baruah, MD,
M/s Andhra Pradesh Power Projects (P) Ltd.,
114, Amrutha Villa,
Raj Bhavan Raod,
Somajiguda, Hyderabad - 500 082.
40. M/s Sree Jayalakshmi Power Corporation Ltd.,
P.B.No.6, Tobacco colony,
Guntur - 001
41. M/s. Tirumala Hydro Power Projects Ltd,
26-141, Subbaiah Thota,
Chilakaluripet, 522616.
42. M/s. Suryachandra Synergetics (India) Pvt. Ltd,
82, 301, Sandhya Enclave,
Near Model House, Dwarakapuri Colony,
Somajuguda, Hyderabad-500 082
43. M/s. Espar Pak (P) Ltd, Hyderabad
347/17/5, Dwarakapuri Colony,
Saibaba Temple Road,
Punjagutta, Hyderabad - 500 082
44. Sri. Ravindranatha Rao,
Financial Advisor,
M/s. Fivess Power Projects Pvt. Ltd.,
S -A, Vengal Rao Nagar,
Hyderabad - 500 038.
45. M/s. PMC Power Pvt. Ltd.,
7-1-220 / 46,
Prashant Colony,
Hyderabad - 500 016.
46. M/s Akshay Profiles (P) Ltd.,
1-320, 9th Lane,
Pandari puram
Chilakaluripet - 522 616.

47. M/s. Janapadu Hydro Power Pvt. Ltd.,
(Earlier M/s. Kallam Agro Products & Oils Ltd.)
Dokiparru
Guntur - 522 438,
48. Sri. Guntur.K.Haranath reddy,
M/s. Kallam Spinning Mills Ltd., Chodawaram,
Guntur Dist. 522 019.
49. M/s. Active Power Corporation
8-2-216/19/S/B, Sri Residency,
Road No.2, Banjara Hills,
Hyderabad - 500 034,
50. M/s. NCL Energy Ltd.,
Raghava Ratna Towers,
7th floor, Chirag-Ali-lane,
Hyderabad - 500 001.
51. Sri Srinivasa Power (P) Ltd.,
Door.No.18-121/19/B, Ashok Nagar,
Vasavi Colony, Miryalaguda,
Nalgonda District
52. M/s. Gadwal Power Projects Pvt. Ltd.,
201-3-484(GF),
Settipally Apartments,
Himayatnagar, Hyderabad - 500 028.
53. M/s. Jurala Power Private Limited
8-2-120/120,Nandi Nagar,
Road.No. 14, Banjara Hills,
Hyderabad - 034.
54. M/s. Mani Hamsa Power Projects (P) Ltd.,
Corporate Office: 6-1-133/4/2/A,
1st Floor, Walker Town,
Padma Rao Nagar,
Secunderabad - 500 025.
55. M/s. Nagarjuna Agro Tech Ltd.,
(Name changed) NAT Limited,
Plot No.25, Nagarjuna Hills,
Punjagutta, Hyderabad - 500 082.
56. M/s. Bhavani Hydro Power Projects Ltd.
6-3-347/17/5, Dwarakapuri Colony,
Punjagutta, Hyderabad-500 028.

57. M/s. Saraswathi Power & Indus Pvt. Ltd.,
8-2-269/4/B, Road.No. 2,
Banjara Hills, Hyderabad - 034.
58. M/s. Shabari Power Generation Pvt. Ltd
Plot.No78, Keshav Nagar,
Nagarjuna Sagar Road,
Champapet, Hyderabad - 060.
59. M/s. Sri Srinivasa Swamy Power Systems
& Services Private Limited,
114, Amrutha Villa,
Rajbhavan Road,
Somajiguda, Hyderabad- 500 082.
60. M/s. Balaji Power Corporation;
H.No.3-6-462/3, Upstairs,
Street.No.6, Hirnaynagar,
Hyderabad -500 029.
61. M/s. D.C.L Polysters Limited,
H.No.6-3-666/B,
Deccan Chambers,
Somajuguda,
Hyderabad - 500 082.
62. M/s. HCL Agro Power Limited,
8-3-677/57A, 658, Plot.No.57,
Sri Krishnadevaraya Nagar,
Street.No.6, Yellareddyguda,
Hyderabad.
63. M/s. Varam Power Projects Pvt. Ltd,
D.No.8-4-120/3, Raja Complex,
G.T. Road, Srikakulum.
64. M/s. Veeraiah Non-Conventional Power
Projects Private Limited,
Regd. Office: G-79,
Madhura Nagar, Vengalrao Nagar, Hyderabad.
65. M/s. Victory Power Systems Pvt. Ltd,
1st Floor, D.No. 3-318/11/12,
New 933, J.P. Nagar,
Yellareddyguda, Hyderabad.
66. M/s. Varalaxmi Sugars Limited,
6-3-866/868, Greenlands,
Begumpet, Hyderabad - 016.

67. M/s. Orissa Power Corp. Ltd.,
3rd Floor, Progressive Towers,
6-2-913/914, Khairatabad, Hyderabad.
68. M/s. Alpha Energy Systems,
A-1, Madhura Nagar Colony,
S.R. Nagar Post,
Hyderabad - 500 038.
69. M/s. Vamshadhara Paper Mills Ltd,
P.B.No.50,
Srikakulam - 532 001.
70. M/s. SVR Cables Pvt. Ltd,
8-2-269/S/5, Sagar Society,
Road.No.2, Banjara Hills,
Hyderabad .
71. M/s. SML Dyetex & Industries (P) Ltd,
8-2-269/S/5, Sagar Society,
Road.No.2, Banjara Hills,
Hyderabad.
72. M/s. GER Vasavi Industries Ltd,
8-2-269/S/5, Sagar Society,
Road.No.2, Banjara Hills,
Hyderabad.
73. M/s. Tirumala Re-Rolling Pvt. Ltd,
5-2-198/4, Distillery Road,
Ranigunj, Secunderabad-500 003
74. M/s. Handum Industries Limited,
6-3-347/13,
Flat.No.202, Tejeswi Apartments,
Dwarakapuri Colony,
Punjagutta, Hyderabad - 082.
75. M/s. Explair Textile Industries Ltd
Regd. Office: S.No.308, Plot No. 1B/2,
Sri Venkateswara Industries Estate,
Jeedimetla, Hyderabad - 500 085.
76. M/s. Sri Vasavi Industries Ltd.,
Plot.No.28, Navodaya Colony,
Road.No.2, Banjara Hills, Hyderabad - 034.

77. M/s. Suvishal Power Generation Ltd.,
8-3-977/12, II Floor,
203, Srinagar Colony,
Hyderabad - 500 038
78. Sri Ram Mohan,
Power Projects (P) Ltd.,
D.No. 25-163, Chilkaluripet,
Guntur District - 522616.
79. M/s. Sri Satyanarayana Power Pvt. Ltd.,
Flat.No. 313, Ganapathi Apartments,
Navodaya Colony, Yellareddyguda,
Hyderabad - 500 073
80. M/s. Vijaya Agro Products Ltd.,
Evikapadu (V),
Vijayawada,
Krishna District - 521 108
81. M/s. Hari Sai Bio-mass Power Projects Ltd.,
8-2-674/B/2/6/A, Road.No.13 A,
Happy Villies, Banjara Hills,
Hyderabad - 500 034.
82. M/s. Buddha Dev Power Ltd.,
8-3-960/12, Rohini Apartments,
301, Srinagar Colony Main Road,
Hyderabad - 500 073.
83. M/s. Gayatri Agro Industries Power Ltd.,
R 01-09-69, 1 (opp). Micro Bypass Road,
Suryapet, Nalgonda District.
84. M/s. Sahaja Agro Chemical Pvt Ltd.,
5-9-224/8, 1st Floor,
Chirag Ali Lane, Abids,
Hyderabad - 500 001
85. M/s. Usha Gautami Industries Ltd.,
D3-D12, Industrial Estate,
Moula-Ali, Hyderabad - 500 001.
86. M/s. Shivani Power Spinners Ltd.,
S.D.No. 1-307/1, 9th Lane,
Pandaripuram, Chilkaluripet,
Guntur District - 522616.

87. M/s. G.J. Trading Pvt. Ltd,
Regd.Office: H.No. 98/C,
Sanjeeva Reddy Nagar,
Hyderabad - 500 038.
88. M/s. Sri Saritha Synthetics & Industries Ltd,
Plot.No. 28, Navodaya Colony,
Road.No.2, Banjara Hills,
Hyderabad.
89. M/s. Wescare (India) Limited,
Wescare Towers, Cenotaph Road,
Teynampet, Chennai-600 018
90. M/s. Andhra Pradesh Wind Farms Ltd,
Pisgah Complex, Nampally,
Hyderabad - 500 001.
91. M/s. VBC Ferro Alloys Limited,
Regd. Office: 6-2-913/914,
Progressive Towers, Third Floor,
Khairthabad, Hyderabad-500 004.
92. M/s. Bharat Wind Energy Limited,
Regd. Office: 6-2-913/914,
Progressive Towers, Third Floor,
Khairthabad, Hyderabad-500 004.
93. M/s. Kakatiya Constructions Limited,
Regd.Office: 5-4-435,
Nampally Station Road,
Hyderabad - 500 001.
94. M/s. PMC Energy Pvt. Ltd.,
7-1-220/46, Prashant Colony,
Hyderabad - 500 016.
95. M/s. Sree Rayalaseema Power Corp. Ltd.,
2nd Floor, T.G.V. Mansion,
Opp. Institute of Engineers (India) Building,
6-2-1012, Khairthabad,
Hyderabad - 500 082.

96. M/s. Saritha Steel Mills Ltd.,
Plot.No.28, Navodaya Colony,
Road.No.2, Banjara Hills,
Hyderabad - 034.
97. M/s. Green Leaf Tobacco Threshers,
C/o: Jayalaxmi Group of Companies,
Tobacco Colony, P.B.6,
Guntur District - 522 001.
98. M/s. Gugineni Tobacco Ltd.,
C/o: Jayalaxmi Group of Companies,
Tobacco Colony, P.B.6,
Guntur District - 522 001.
99. M/s. Jayalaxmi Tobacco Ltd.,
C/o: Jayalaxmi Group of Companies,
Tobacco Colony, P.B.6,
Guntur District - 522 001.
100. M/s. Jayalaxmi Spinning Mills Ltd.,
C/o: Jayalaxmi Group of Companies,
Tobacco Colony, P.B.6,
Guntur District - 522 001.
101. M/s. Sujana Industries Ltd.,
18, Nagarjuna Hills,
Punjagutta, Hyderabad - 500 082.
102. M/s. Sujana Steels Ltd.,
18, Nagarjuna Hills,
Punjagutta, Hyderabad - 500 082.
103. M/s. Manasa Industries Ltd.,
8-2-269/S/5, Sagar Society,
Road.No.2, Banjara Hills,
Hyderabad.
104. Empee Power Company (India) Ltd.,
693, Main Road,
Chennai - 600 006.
105. Sagar Sugar and Allied Products Ltd.,
Royal Towers, IInd Floor,
781, Annasalai,
Chennai - 600 002.

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106. M/s. Kakatiya Cement Sugar and Indts.Ltd.,
1-10-140, Gurukrupa,
Ashok Nagar, Hyderabad.
107. Andhra Sugars Ltd.,
Venkatarayapuram
Tanuku - 534 215.
108. M/s. Seven Hills Construction and Indts.Ltd.,
2-22-193, Park View Enclave,
Hashamathpet Road, Bowenpally,
Secunderabad - 500 009.
109. M/s. B.S.R Bio-Energies (P) Ltd.,
H.No. 39-8-19, Pydaiah Street,
B.S. Reddy Road,
Venkateswarapuram,
Vijayawada - 522 010.
110. Deccan Sugars (Unit of NBFAL),
Samalkot - 533 440,
East Godavari District.
111. M/s. K.M Power (P) Ltd.,
Plot.No. 1176-B,
Road.No. 56, Banjara Hills,
Hyderabad - 033.
112. M/s. Tamilnadu Wind Farms Ltd.,
Crescare Towers, Cenotaph Road,
Teynampet, Chennai - 600 018.
113. M/s. Asian Wind Turbines Ltd.,
4/22, Old. Mahabalipuram Road,
Kandanchavadi, Chennai - 600 096.
114. M/s. Suzlon Energy Ltd.,
Suzlon House,
Near Shree Krishna Centre,
Navrangpura,
Ahmedabad - 380 009.
115. M/s. Nuziveedu Secds Ltd.,
Door.No. 5-97-5, Subjeej House,
6/12, Brodipet,
Guntur - 522 002.
116. M/s. Marg Constructions Ltd.,
501, Apex Chambers, 5th Floor, No. 20,
Sirthiagaraya Road, T.Nagar, Chennai - 600 017.

117. M/s. Manikonda Wind Energy Ltd.,
3-4-616/1, Narayanguda,
Hyderabad - 500 029.
118. M/s. Microbax (India) Ltd.,
Survey.No. 59, Nandigama Village,
Patancheru Mandal,
Medak District.
119. M/s. Enercon (India) Ltd.,
208, Prestige Centre Point,
Cunningham Road,
Bangalore - 560 052.
120. M/s. The Gowthami Solvent Oils Limited,
P.B.No.7,
Pydiparru,
Tanuku - 534 211.
121. M/s. Harsha Power Projects (P) Limited
1-9-52/E/8, Ramnagar,
Hyderabad - 500 048.
122. M/s. Trident Power Systems Limited,
Flat.No. 103, Lakshmi Nivas,
6-3-862/1, Ameerpet Road,
Hyderabad - 500 016.
123. M/s. SKJ Power Project Limited,
Flat.No.5, Pranitha Apartments,
Street No. 9, Tarnaka,
Secunderabad- 500 017.
124. M/s. Dhanalakshmi Cotton &
Rice Mills Limited,
Power Division,
Regd.Office:Ganapavaram,
(Via) Chilkaluripeta,
Guntur-District - 522 619.
125. M/s. Sagar Power Limited,
8-2-472/B/1, Road.No.1,
Banjara Hills,
Hyderabad-500 034.
126. M/s. R.P.P. Limited,
8-2-629/1/A, Vishal Bhavan,
Road.No. 12, Banjara Hills,
Hyderabad.

127. M/s. Renewable Energy Systems Limited,
10-3-3/30, East Marredpally,
Secunderabad.
- 128 M/s. NILE Limited,
Industrial Estate,
Nacharam, Hyderabad.
- 129 M/s. Weizmann Limited,
Empire House, 214,
Dr.D.N. Road, E.N.T.,
A.K.Naik Marg,
Fort Mumbai - 400 001.
- 130 M/s. Sri Jayalakshmi Power Corp. Limited,
P.B.No.6, Tobacco Colony,
Mangalagiri Road, Guntur - 522 001.
- 131 M/s. RCI Power Limited,
Wescare Towers, 16,
Cenotaph Road, Teynampet,
Chennai - 600 018
132. M/s. IL & FS Limited,
The IL & FS Financial Centre,
Plot.No.C-22, G-Block,
Bandra, Kuria Complex, Bandra (East),
Mumbai - 400 051.
133. M/s. Sudalagunta Sugars Limited,
209, T.P. Area, Tirupati - 517 501,
Chittoor District.
134. M/s. Nagarjuna Construction Company Limited,
41, Nagarjuna Hills,
Hyderabad - 082.
135. M/s. Hyderabad Chemical Supplies Limited.
A-24/25, APIE, Balanagar,
Hyderabad - 037.
136. M/s. Satyakala Power Projects (P) Ltd
Gangur Village
Pamanuluri (M)
Krishna District.

137. M/s. Lepakshi Power Projects Ltd
C/o. Blue Moon Hotel,
Green Lands,
Hyderabad.
138. M/s. Ganapathi Sugar Industries Ltd
Raghavaratna Towers,
Nampally, Hyderabad.
139. M/s. Ritwik Energy Systems Limited,
141, Avenue # 8, L.V. Prasad Marg,
Banjara Hills, Hyderabad - 034.
140. M/s. Deccan Cements Limited
"Deccan Chambers"
6-3-666 B, Somajiguda,
Hyderabad - 500 082.
141. The Secretary,
APEDA, E-506, Keerthi Apartments,
Amecrpet, Hyderabad - 073.
142. Chairman & Managing Director,
APTRANSCO, Vidyut Soudha, Khairtabad,
Hyderabad.
143. Managing Director,
NEDCAP.

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RESPONDENTS

This matter coming up for hearing before the Commission on 31-10-2000 &
01-11-2000 in the presence of

Name of the Company	Name of the party
M/s.NCS Gayatri Sugars Ltd.	Mr.B.Maruthi Babu, Advisor
M/s.Gautami Bio-Energies Ltd.	Mr.M.Ravikanthi, Managing Director
M/s.Sree Paper Ltd.	Mr.T.V.N.Murty, Liaison Officer
M/s.Sudha Agro Oil & Chemical Industries Ltd.	Mr.E.Raja Rao, Managing Director
M/s.Jocil Ltd.	Mr.P.Keshavalu Reddy, Managing Director
M/s.Saro Power & Infrastructure Ltd.	Mr.Ashfaq Ahmed, Managing Director
M/s.Jeypore Sugars Company Ltd.	Mr.P.Babu Sahib, Assistant
M/s.Harsha Power Projects Limited	Mr.R.Lalit Mohan, Managing Director
M/s.Claron Power Corporation Ltd.	Mr.Tanmai Dass, Financial Advisor & Managing Director

M/s.Sudalagunta Sugars Ltd.	Mr.Jay Ram Chowdary, Managing Director
M/s.AREDA	Mr.C.V.Subba Rao, Secretary
M/s.Sree Rayalaseema Power Corp.Ltd.	Mr.Seshu Mohan, General Manager (Finance)
M/s.NCL Energy Ltd.	Mr.M.Krishna Prasad, General Manager
M/s.Espar Pak (P) Ltd.	
M/s.Janapadu Hydro Power Projects Pvt.Ltd.	
M/s.Akshay Profiles Ltd.	
M/s.PMC Power Pvt.Ltd.	
M/s.Bhavani Hydro Pvt.Ltd.	
M/s.RPP Ltd.	
M/s.Tirumala Hydro Power Projects Ltd.	
M/s.Dhan Lakshmi Cotton & Rice Mills	Mr.K.Gopal Choudary, Advocate
M/s.Weizman Ltd., Mumbai	
M/s.Surya Chandra Synergies (India) Pvt.Ltd.	
M/s.Manhamsa Power Projects (P) Ltd.	
M/s.Shivani Power Spinners	
M/s.Saraswati Power & Industries Ltd.	
M/s.Wescare (India) Ltd.	
M/s.RCI Power Ltd.	Mr.N.Ramani, Director (Wescare/RCI/ Tamilnadu)
M/s.Tamil Nadu Wind Farms Ltd.	
M/s.Trident Power Systems Ltd.	Mr.V.Narsimha Bharathi, General Manager (Finance)
M/s.SKJ Power Projects Ltd.	Mr.K.Venkat Reddy, Managing Director
M/s.Saritha Software & Industries Ltd.	Mr.S.Parthasarathi, Deputy Manager
M/s.Gayatri Sugar Industries Ltd.	Mr.K.Venkatasastri, Advisor
M/s.Microbax (India) Ltd.	Mr.Sadashiv Sawrikar, Director
M/s.Manikonda Wind Power Ltd.	Dr.M.V.Sudhakar, Managing Director
M/s.IL & FS Ltd.	Mr.Iliaz, Project Manager
M/s.NATL Power Ltd.	Mr.K.Raghu, Managing Director
M/s.Sree Rayalaseema Green Energy Ltd.	Mr.K.V.Chalapathi, Advocate
M/s.Gowthami Solvents & Oils Ltd.	Mr.K.Narayana, General Manager (Finance)
M/s.Renewable Energy Systems Ltd.	Mr.M.V.Satyanarayana, Manager (Wind Energy)
M/s.Gayatri Agro Industries Ltd.	Mr.T.Devender Reddy, Managing Director
M/s.HCL Agro Power Ltd.	Mr.K.Gopi Nath, Managing Director
M/s.Jaya Laxmi Power Corp Ltd.	Mr.Ch.Ravindra Babu, Advocate

The Commission having heard the power project developers (Developers) with schemes sanctioned by the Non-Conventional Energy Development Corporation of Andhra Pradesh (NEDCAP) who appeared before the Commission and having considered the G. Os. and representations, oral and documentary, made by both parties, passed the following order:

2. The Government of India issued guidelines regarding promotional and Fiscal incentives to be given by State Governments for power generation from Non-Conventional Energy Sources. The Government of Andhra Pradesh (GoAP) issued G.O.Ms.No.19 dated 16-03-1996, under which it accorded certain incentives in respect of the Developers with whom NEDCAP had entered into a Memorandum of understanding. A review of these incentives was made after which the GoAP issued G.O.Ms.No.93, dated 18-11-1997 notifying uniform incentives to all the projects based on renewable sources of energy viz. Wind, Bio-mass, Co-generation, Municipal Waste and Mini Hydel. The incentives notified are as follows:

S. No.	Description	
1	Power Purchase price	Rs.2.25/-
2	Escalation	5% per annum with 1997-98 as base year and to be revised on 1 st April of every year upto the year 2000 A.D.
3	Wheeling Charges	2%
4	Third party sales	Allowed at a tariff not lower than H.T. tariff of APSEB
5	Banking Allowed	upto 12 months.
(a)	Captive consumption	Allowed throughout the year on 2% banking charges.
(b)	Third party sale	Allowed on 2% banking charges from August to March.

3. The GoAP issued G.O.Ms.No.112 dated 22-12-1998 to remove certain ambiguities in the implementation of the uniform incentives scheme. The following clarifications were issued in respect of G.O.Ms.No.93 dated 18-11-1997.

- (i) The uniform incentives shall be available only to the power projects where fuel used is from Non-Conventional Energy Sources.
- (ii) The incentives scheme shall be watched for a period of 3 years from 18.11.1997 when G.O.Ms.No.93 was issued and thereafter, Andhra Pradesh State Electricity Board shall come up with suitable proposals for review for further continuance of the incentives in the present form or in a suitably modified manner to achieve the objective of promotion of power generation through Non-Conventional Sources.
- (iii) The Developers who made sales to third parties shall be deemed to be licensees for the purpose under section 3 of the Electricity Duty Act, 1930, read with section 28 of Indian Electricity Act.

4. The Commission noted that the uniform incentives to non-conventional energy developers granted by GoAP were available upto 17-11-2000 as stated in G.O.Ms.No.112 dated 22-12-1998. The incentives were due for a review. With the Commission in place as a regulator, the review was to be undertaken by the Commission. The Commission initiated a consultation process for this purpose, as permitted under Sec.10(7) of the Reform Act. The Commission issued notices to all Non-conventional energy developers who had either established projects or were in the process of establishing the projects to hear their views on incentives in general and third party sales in particular. After hearing 113 developers of Wind, Biomass and Mini Hydel project developers between 17-01-2000 and 22-01-2000, the Commission issued orders in APERC/Secy/Engg/No.5 dated 06-03-2000 in the following terms:

5. The Commission ordered that:

- (i) The Developers can sell the power generated by them to third parties upto 17-11-2000.
- (ii) The Developers shall supply the power generated to APTRANSCO from the billing month of December, 2000 at Rs.2.25 per unit with 5% escalation per annum with 1994-95 as base year as suggested in the guidelines prescribed by Ministry of Non-Conventional Energy Sources, Government of India in the order dated:13-09-1993.



- (iii) It was also ordered that a suo motu review of the incentives to take effect from 01-04-2004 (the rates provided under guidelines issued by the Ministry of Non-Conventional Energy sources are upto 2003-04) will be undertaken by the Commission after discussion with all the concerned parties. There would also be a review with regard to purchase price with reference to each developer on completion of 10 years from the date of Commissioning of the project (by which time the loans from Indian Renewable Energy Development Agency (IREDA) or other funding agency would have been repaid and the purchase price will have to be reworked on the basis of return on equity, O and M expenses and variable cost).

6. The Commission issued an amendment to the order dt:6.3.2000 on 1.4.2000 permitting captive use of power generated by the developers. The Commission has permitted captive use fully/partly to eight developers so far.

7. Two developers by name M/s. Ind-Bharat Energies Limited and M/s. Vamshi Industries Limited filed W.P.No.5658 of 2000 and W.P.No.6230 of 2000 respectively in the High Court of Andhra Pradesh questioning the said order. A learned single Judge of the High Court heard the matter. By order dated 28.4.2000, he set aside the order of the Commission on the ground that the developers were not put on notice with regard to permitting sales to third parties etc. before hearing them and passing the orders. The learned Judge gave liberty to the Commission to put the writ petitioners on notice of the grounds and specific proposals thereof and pass an order.

8. The Commission filed writ appeals No.651 and 652 of 2000. APTRANSCO also preferred writ appeals against the said order. They are pending decision before a division bench of the High Court.

9. Notwithstanding the appeals filed, the Commission gave notices to the above said two developers with particular reference to:

- (i) The issue relating to third party sales after 17-11-2000.
- (ii) Transmission and Wheeling charges
- (iii) Power to be sold to APTRANSCO and the agreement to be signed and other terms and conditions.
- (iv) Modifications required for the earlier agreements signed with APTRANSCO.

10. Both the above developers and the APTRANSCO were heard. By order in O.P. No.657/2000 dated 05-08-2000 the Commission granted an exemption to M/s. Ind-Bharat Energies Limited to supply energy to third parties upto 17-11-2000 and directed the said Company to sell power to APTRANSCO thereafter. The reasoning mentioned in the first order was reiterated. No final order was passed in the case of M/s.Vamshi Industries Limited (OP 656/2000 dt:5.8.2000) as it had not by then complied with the statutory requirements prescribed under the Reform Act and the Regulations framed there under, (such as causing a publication in Newspapers calling for objections etc).

11. Again both the developers filed appeals CMA Nos. 2621 of 2000 and 2790 of 2000 respectively, which are pending in the High Court.

12. The Commission in the meantime thought it fit to hear all the developers of the non-conventional energy, APTRANSCO and IREDA, which has been granting loans to the developers yet again. It issued a notice to them to appear before the Commission on 31-10-2000 and 1-11-2000 and make their submissions. They were also given liberty to send written representations in advance by 20-10-2000. The developers were asked to represent as to:

- (i) Whether from the billing month of December, 2000 the developers of Non-Conventional Energy should be permitted to continue to supply to third parties or they should be permitted to sell to the licensee only;
- (ii) Whether the rate applicable for supply to licensee from the billing month of December 2000 should be worked out taking Rs.2.25 per unit with 5% escalation per annum with 1994-95 as base year.
- (iii) The review about sale after 1-4-2004 and further review after completion of 10 years from the date of commissioning the individual projects.

In all, notices were issued to 141 developers of Non-Conventional Energy Development Projects.

13. The developers were also informed about the Commission's previous decision dated 06-03-2000 and the decision being set aside by the High Court on the ground that proper notice regarding the issues was not given by the Commission. A copy of the decision dated 06-03-2000 was also given to all the developers.

14. Sixty two developers and "All renewable energy association" sent the representations. IREDA submitted its representation on 19-10-2000. Fifty eight developers appeared before the Commission either personally or through their advocates or associates and presented their views. Some of them have filed additional representations on the days of the hearing viz., 31-10-2000 and 01-11-2001.

15. Instead of listing out the comments/objections of the individual developers it would be convenient to set forth the various points made by all of them as given below.



a. LEGAL SUBMISSIONS:

(i) The Commission has no jurisdiction to decide the issues mentioned in the notice. No section of law has been cited conferring the powers of review to withdraw incentives given by the Government. The Commission has no role to play in the matter of formulation of any policy for generation. The Commission can at best advise the Government with regard to generation of electricity.

(ii) There is no need for a generating company to obtain licence from the Commission. Under section 15A and 18A of E(S) Act, a generating company could sell electricity generated without a licence. A generating company was entitled to sell power to any person under section 43A of the E(S) Act. Section 43A of the E(S) Act is still operative in the absence of a corresponding provision in the Reform Act. Section 11 and Section 21 of the Reform Act did not confer any powers on the Commission with regard to generation. It is also not correct to say that the words "any other person" used in section 43A(1)(c) refer only to another utility/licencee and not to an individual. G.O.Ms.No.112 dt:22.12.98 should be construed as permission under section 43 of the E(S) Act to effect third party sales.

b. SUBMISSIONS ON FACTS

Submissions on facts may be grouped under 3 or 4 categories.

(i) It is argued that the review contemplated was only for the purpose of continuing the incentives with such modifications as were necessary and not to stop the incentives. Some of the developers feel that the incentives should be continued for a period of 10 years. Another point made in this connection was that incentives

may be continued for projects which were already commissioned and are at various stages of implementation.

(ii). Financial closure will be affected if third party sales are not allowed. They must be allowed at least till the financial position of APTRANSCO improved and it was in a position to pay for the supplies promptly. Third party sales may be allowed if APTRANSCO fails to pay the bills continuously for three months.

(iii). The developers may be permitted to use energy for captive consumption and for supply to sister concerns. The rate fixed by the Ministry of Non-conventional Energy Sources was not viable. The rate may be escalated at a rate not less than 8% every year to offset the annual inflation.

(iv). The Commission may ensure proper guarantees and assurances for payment of money for power purchased by APTRANSCO.

16. APTRANSCO submitted a note under letter dated 01-11-2000, at the hearing, conveying acceptance of the terms of the Commission's order dated 06-03-2000. They also informed that one of the developers M/s. Active Power Corporation had agreed to supply power to APTRANSCO on the terms stated in this order. APTRANSCO was asked to react to the various submissions made by the developers at the hearing. It was directed that they should make available their remarks to the developers to enable them to give their comments, if any, to the Commission directly.

17. In response to the above, APTRANSCO filed a written representation under letter dt:8-11-2000. It reported that in the 3-year period since 18-11-1997, 221 projects with a capacity of 827 MWs were sanctioned out of which 15 projects

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with a capacity of 176 MWs had come into operation. 24 Power Developers had executed Power Purchase and Wheeling Agreements for captive use. 60 Developers had executed agreements for selling power to third parties. 12 developers had entered into PPA to sell their power to APTRANSCO. As regards purchase price, APTRANSCO proposed that MNES guidelines may be followed till 31-03-2004 at which point of time a review could be undertaken by APERC. It was also of the view that a further review had to be taken after completion of 10 years from the date of commissioning of the individual project by which time the loan would have been repaid and the purchase cost needed to be reworked on the basis of 'Return on equity' and 'variable cost'. APTRANSCO opposed permitting sales to third parties and desired that all power generated should be supplied to APTRANSCO only. It was assured that letters of credit would be opened to ensure payment security to the Developers. Wheeling and banking would be permitted only for captive use of the generation. The rates proposed by APTRANSCO for wheeling and banking are as under:

Wheeling

At EHT upto 132 kVA	8%
At 33 kV	15%
At 11 kV	20%
LT	Not considered

Banking

At EHT upto 132 kVA	5%
At 33 kV	10%
At 11 kV	15%

APTRANSCO was agreeable to wheeling the banked energy when it is having surplus power during the months July to December of every year.

18. The Managing Director of NEDCAP stated that there would be an adverse impact on promotion of non-conventional energy based power projects if the

incentives are modified or withdrawn. The loss of revenue to APTRANSCO caused by allowing the project developers to sell to third parties can be made-up by increasing wheeling charges as has allegedly been done by the Karnataka Government. Measures have to be taken to ensure regular payment by APTRANSCO whose financial health is poor.

19. The Director (Technical), IREDA in his letter dated:19-10-2000 requested the Commission to consider the guidelines as recommended by the Government of India for development of non-conventional and renewable energy projects to enable the project developers to pay off the loans extended by IREDA and other Banks within 10 years including the moratorium period of 2 or 3 years.

20. In response to APTRANSCO's proposals, 5 developers sent their further responses. While they generally reiterated their request relating to continuation of incentives particularly, third party sales, it was pointed out that the wheeling charges proposed by APTRANSCO were very high and should not be accepted. The Managing Director/ NEDCAP also filed a letter on 01-01-2001 responding to APTRANSCO's letter dated 08-11-2000. He pointed out that the wheeling charges need not be raised by APTRANSCO in view of the fact that the NEDCAP projects were promotional in nature and were entitled to special treatment.

21. APTRANSCO filed another letter dated 15-06-2001, in which they have stated that in all, five developers have agreed to supply their entire generation to APTRANSCO on the terms laid down in the Commission's order dated 06-03-2000. They were supplying power regularly and were being also paid regularly. There were no out-standings in any of these cases. Steps were underway for opening letters of credit for all these persons as per the directions of the Commission.



22. The various points raised have been carefully considered by the Commission. Taking the legal points first, it is the Commission's view that after the passing of the Reform Act, all regulatory powers have been transferred to the Commission by the State Government. The Statement of objects and reasons specifically states that "consequent to the creation of the Electricity Regulatory Commission the State will be divested of its regulatory function". Sec.11(1) of the Reform Act refers to various aspects of regulation. Sec.11(1)(a) and (k) refer to regulating the work of licensees. Sec. 11(1)(b) deals with regulation of purchase, distribution, supply and utilization of electricity, quality of service, tariff and charges payable. Sec.11(1)(i) provides for regulation of the assets, properties and interest in properties relating to the industry. Further, section 12 makes it obligatory for the Commission to always act consistent with the objectives and purposes for which the Commission has been established. Unlike the power of Tariff Regulatory Authority of India (T.R.A.I.) to which a reference had been made in the course of the hearing, the powers in sec.11 of the Reform Act are unambiguously "regulatory" in nature and not "recommendatory" as in the case of T.R.A.I. It is not correct to contend that the Commission had no executive power to deal with the incentives after the commencement of the Act. As observed by the Supreme Court in the case of DEEPAK THEATRE vs. STATE OF PUNJAB & OTHERS (1992 Supp (1)(SCC) 684, "the power to regulate may include the power to license or to refuse the licence or to require taking out a licence and also include Therefore, the power to regulate a particular business or calling implies the power to prescribe and enforce all such proper and reasonable rules and regulations as may be deemed necessary to conduct the business in a proper and orderly manner. It also includes the authority to prescribe the reasonable



rules, regulations or conditions subject to which the business may be permitted or conducted." More specifically, in the case of VSR & OIL MILLS vs. STATE OF A.P. (1964 AIR SC 1781), the Supreme Court held that "the word 'regulate' is wide enough to confer power to regulate either by increasing the rate, or decreasing the rate, the test being what is it that is necessary or expedient to be done to maintain, increase or secure supply of the essential articles in question and to arrange for its equitable distribution and its availability at fair prices." The Supreme Court was dealing with a challenge under the Madras Essential Articles Control and Acquisition (Temporary Power) Act and the contention that in the absence of any provision authorizing the Govt. to increase the rates during the operation of the agreement, the charges could not be increased. The Court held that the power to regulate can be exercised for ensuring the payment of a fair price, and the fixation of a fair price would inevitably depend upon a consideration of all relevant and economic factors, which contribute to the determination of such a fair price. Further, regulation not only means continuing or partially altering the existing conditions but also in totally banning any such transactions, if so required. Dealing with a similar contention in yet another case K. RAMANATHAN vs. STATE OF TAMIL NADU (AIR 1985 SC 660), the Supreme Court rejected the plea that regulation could not mean total prohibition. The Supreme Court held that the word 'regulation' cannot have any rigid or inflexible meaning as to exclude 'prohibition'. The word 'regulate' has broad import, having a broad meaning and is very comprehensive in scope. The regulatory power must be regarded as plenary over the entire subject implying power to rule, direct and control and adoption of rules or guiding principles, the power to check and may even include the power to prohibit or suppress under certain circumstances.



By virtue of its regulatory power, the Commission has not merely a task but a bounden duty to review the incentives to increase, reduce, vary the incentives or even prohibit certain types of transactions if they can be justified in the overall interest of regulation of the electricity industry.

23. As regards the other legal submissions with reference to the alleged claim for exclusion of the generating company from the regulation of the Commission and the claim of deemed sanction of the Government u/s. 43A of the E.S Act, there is no need for us to deal with this matter elaborately. The AP High Court in the case of A.P. Gas Power Corporation Ltd., (CMA 1971, 2079, 2082 etc.,) has decided the issue against the applicants. The Court observed that it was manifestly clear that if a generating company wants to carry on the activity of supply of electricity which is beyond those specified in sections 15A and 18A of the E.S. Act, it has to seek a license u/s. 3 or exemption u/s. 28 of the I.E.Act, 1910 or license / exemption as the case may be, as provided u/s. 15 or 16 of the Reform Act, 1998. The Court noted that the provisions of Sec.43A of the E.S. Act stand dis-applied following the enactment of the Reform Act and held that the domain with respect to purchase, distribution, supply, utilization of electricity, tariff and charges had been brought under the regulatory control of the Commission. The Court also observed that the words "any other person" in sec.43A could only be another licensee or exemptee and not a consumer or end-user. They rejected the contention of the applicant that it need not subject itself to the authority of the Regulatory Commission in view of the consent granted by the GoAP u/s. 43A.

24. Coming to the objections based on facts, the Commission is unable to accept any of them for the reasons stated hereafter. Firstly, the rates approved by the

Commission on the basis of the guidelines issued by the Ministry of Non-Conventional Energy Sources are much higher than the rate permitted by the State Government. On account of the escalation provided of 5% every year, the rate would be Rs. 3.16 per unit as on 01.04.2001, which is very competitive. It also compares favourably with the rates permitted for energy from non-conventional sources in other States as seen from the table below.

Type of project	AP	Maha- rastra	TN	Karnataka	UP	MP	Punjab	Haryana	Rajasthan	Gujarat	WB
Bio- mass	3.16	3.16	2.86	3.16	2.48	2.25(*)	3.16	3.16	3.16	2.36	-
Wind Farm	3.16 (**)	3.16	3.01	3.16	-	2.25(*)	-	-	3.03	00	(***)

(*) without any escalation whereas in all other States, rate is with 5% escalation.

(**) also for all other non-conventional energies.

(***) to be decided case to case basis.

SOURCE : ANNUAL REPORT 2000-2001 Ministry of Non-Conventional Energy Sources, GOI.

The Commission also notes that the Tamilnadu Electricity Board has recently (March 2001) reduced the purchase price for wind power to Rs. 2.25 for future wind power projects. Moreover, the fact that about five developers have actually found it attractive enough to supply their generation to APTRANSCO at this rate also supports the Commission's view that MNES rate affords adequate return.

25. As regards third party sales, for reasons already stated elaborately in our order in O.P.No.2/1999 (GBR Projects Ltd.,) and O.P. No. 348/2000 (Asha Power Corporation Pvt. Ltd.,) the Commission is not inclined to permit third party sales. Briefly the points made in these orders are as follows. Currently the tariffs include substantial cross subsidy to the tune of about Rs.2,000 crores by industrial and commercial consumers. If these consumers are supplied power by non-conventional energy developers instead of by the Licensee, the cross subsidy element now existing will come down, calling for increased tariffs for agriculture and domestic

26. As regards wheeling and banking charges the Commission does not wish to take any decision at this stage as it intends to initiate a separate proceeding in the matter of charges for wheeling and Banking by the various licensees to the parties using the Transmission and Distribution system. However, where captive use (as defined in Commission's order OP 212/2000 dt: 24.2.2000) is permitted, wheeling and banking will continue to be regulated by G.O.Ms.No.93 of 18.11.97 till further orders of the Commission.

27. Dealing with some of the other specific suggestions, the Commission does not agree that it is attempting to stop the incentives. As a matter of fact the Commission have improved the rate notified by GoAP under G.O.Ms.93 dt: 18.11.1997. It will not be correct to discriminate between existing developers and future developers by restricting the present incentives to the former category. As regards payment security, the Commission accept the assurance from APTRANSCO that they would make prompt payment under irrevocable letters of credit opened in favour of the suppliers. It would appear (from the report submitted by the APTRANSCO) that the five developers who have already agreed to supply to APTRANSCO are being paid regularly.

28. Accordingly, the Commission considers that the sale of power generated by non-conventional energy developers to third parties will not be in public interest. Developers of non-conventional energy shall supply power generated to APTRANSCO and the price at which electricity is purchased by APTRANSCO would be Rs.2.25 per Unit with 5% escalation per annum with 1994-95 as the base year. This the Commission considers just and equitable to the developers as it will provide adequate returns and at the same time will facilitate organised development

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of the electricity industry by protecting the business of the licensee in the area of supply. The price formula prescribed by the Government of India can be taken to be reasonable and just.

29. The existing incentives under G.O. Ms. No. 93, dated:18-11-1997, which are continued under the orders of the Commission from time to time till 24-06-2001 under our letter No.2473, Dated: 24.04.2001 are extended for the time being till 24-07-2001. (The temporary extension has been given to enable the developers to finalise agreements/arrangements relating to supply of power to APTRANSCO prior to 24-07-2001). With effect from the billing month of August 2001, all generators of non-conventional energy shall supply power to APTRANSCO only as per the following terms:

- (i). Power generated by non-conventional energy developers is not permitted for sale to third parties;
- (ii). Developers of non-conventional energy shall supply power generated to APTRANSCO/DISCOMS of A.P. only.
- (iii). Price applicable for the purchase by the supply licensee should be Rs.2.25 per unit with 5% escalation per annum with 1994-95 as the base year.

APTRANSCO is simultaneously directed to arrange payment for the supply of power purchased from developers of non-conventional energy by opening a Letter of Credit in favour of the suppliers of power.

30. A *suo motu* review of the incentives to take effect from 1 April, 2004, will be undertaken by the Commission after discussions with all the concerned parties. There will also be a review of the purchase price with specific reference to each developer on completion of 10 years from the date of the commissioning of the

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project (by which time the loans from financial institutions would have been repaid) when the purchase price will be reworked on the basis of return on equity, O&M expenses and the variable cost.

31. However, if any developer wishes to raise any specific issue with reference to this order, he will be entitled to apply to the Commission in the manner provided in the regulations.

This order is signed by the AP Electricity Regulatory Commission on 20th June, 2001

Sd/-
(A. V. SUBBA RAO)
MEMBER

Sd/-
(D. LAKSHMINARAYANA)
MEMBER

Sd/-
(G. P. RAO)
CHAIRMAN



CERTIFIED COPY


SECRETARY
A.P. Electricity Regulatory Commission