

**Record of proceedings dated 07-12-2016**

O.P. No. 25 of 2016

APSPDCL Vs ---

Petition seeking approval of the Commission for implementation of Domestic Efficient Fans Programme (DEFP) in the seven districts (viz., Guntur, Prakasam, SPSR Nellore, Chittoor, Kadapa, Anantapur & Kurnool) of APSPDCL in the State of Andhra Pradesh under Demand Side Management programme

Orders pronounced vide separate orders (in terms of the draft order unanimously approved by the Commission on 03-12-2016).

18. Therefore, the petitioner is permitted to implement the Domestic Efficient Fans Programme (DEFP) in the licensed area of APSPDCL with the financial support of M/s. Energy Efficiency Services Limited, New Delhi, subject to the following:

(a) the cost of Distribution and Awareness and Registration in respect of each fan shall be limited to Rs.55/- (Rs 50-00 towards Distribution, Transportation Storage and Registration and Rs 5-00 towards awareness cost).

(b) the total cost of the fan in the event of upfront payment by the consumer shall be subject to a maximum of Rs.1020-00 with the benefits of any reduction in the cost through open competitive bidding being passed on to the consumer. The details of price breakup of per fan are furnished below.

Cost of fan	Rs. 796-95
Distribution, Transportation, Storage and Registration	Rs. 50-00
Awareness	Rs. 5-00
Annual maintenance charges for two years (1.5% of fan cost)	Rs. 23.91
Debt interest cost	Rs. 17.41
Return on equity for 2 months	Rs. 8.80
Sales Tax (14.5%) on cost of fan	Rs.115.56
Grand total (Rounded to)	Rs.1020.00

(c) if consumer opts to pay in monthly instalments, he shall have to pay a maximum of Rs.47/- per month subject to the benefit of any reduction in the cost through open competitive bidding being passed on to the consumer.

(d) M/s. Energy Efficiency Services Limited shall during the period of warranty of 2 years be responsible for observance of warranty and the consequential maintenance.

(e) the installation of the new fans shall be by the consumer himself for which every possible assistance may be extended by the petitioner and M/s. Energy Efficiency Services Limited.

(f) Implementation of this project has nothing to do with the Aggregate Revenue Requirement of the petitioner in any year.

(g) The project can cover a maximum of 2 (two) Energy Efficient (EE) fans On Bill Financing (OBF) and upto 4 EE fans on Upfront Payment Option (UPO) for domestic consumers and as per requirement basis to commercial consumers and industrial consumers on only Upfront Payment Option (UPO).

(h) M/s. EESL shall prefer APSEEDCO as the distribution agency to undertake distribution of fans in the State of Andhra Pradesh. If EESL proposes any other agency/agencies for undertaking distribution activity of fans, the same has to be done with prior approval of the Commission.

19. While making the payment to M/s. EESL, M/s. APSPDCL shall pay the financial costs, such as interest on debt, return on equity for actual duration period only.

20. The petition is allowed accordingly subject to the above directions and the petitioner shall enter into and submit an Energy Savings Agreement with M/s. Energy Efficiency Services Limited, New Delhi accordingly incorporating all the necessary details as per the directions detailed above and submit the same to the Commission for approval. The petitioner and M/s. Energy Efficiency Services Limited can proceed to take steps for implementation of the programme.

Sd/-  
CHAIRMAN