



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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Notice Inviting Expression of Interest (EoI) for Empanelment of Consultants/Auditors to conduct Compliance Audit of Regulated Entities

Andhra Pradesh Electricity Regulatory Commission (APERC) notified (Compliance Audit) Regulation, 2013 [Regulation No.6 of 2013] in the Andhra Pradesh Gazette on 07.08.2013.

In terms of Regulation No.6 of 2013 the Commission intends to conduct audit of regulated entities for verifying their compliance with the directives issued by the Commission.

Accordingly, the Commission invites **Expression of Interest** (EOI) from well established, reputed and experienced consultants/auditors for empanelment to conduct compliance audit in the following areas:

- a) Estimation of Agriculture consumption.
- b) Verification of quality & cost of domestic and imported coal.
- c) Distribution Transformer (DTR) failures.
- d) Estimation of AT&C losses.

The detailed scope of work of each area is given in **Annexure**. With regard to eligibility criteria, methodology of conducting audit, deliverables, etc., please refer to the Regulation No.6 of 2013 placed at http://www.aperc.gov.in/Regulations/Final/2013/Regulation_6_2013.pdf.

Interested consultants/auditors may submit their **EoI** (separate EoI for each area) along with the supporting documents (i.e., profile, relevant experience, CVs of key professionals likely to be involved in the assignment, etc.) in a sealed envelope to the Commission Secretary on or before 31.01.2014 by 5:00 pm at the above mentioned address.

Mere submission of EoI application will not confer any right to applicant for empanelment. APERC reserves right to accept/reject any EoI application or cancel the process, at any time without assigning any reasons there of.

Place: Hyderabad
Dated: 03.01.2014

Sd/-
Commission Secretary

Annexure

Sl. No.	Compliance Audit Area	Relevant Directives issued by the Commission in RST Tariff Order for FY 2013-14	
		No.	Description
1)	Estimation of Agriculture consumption.	Earlier Directive No.5	Sales Estimation to LT-V (Agriculture) The Licensees are directed to estimate the consumption based on the Commission approved new methodology and incorporate the results in detail in next Tariff filings without fail.
		Earlier Directive No.8	Agriculture consumption estimate Under Fresh Directives No.2 of the Tariff Order for FY 2011-12 the Licensees were directed to report the progress on implementation of new methodology to estimate on Agricultural consumption, on their respective websites. But, the progress achieved in this regard is observed to be very poor. The Discoms have taken up the work of executing the HVDS scheme for 11 kV Agricultural feeders. In this regard, the Licensees are directed to furnish the report on fixing of meters to each of the transformers covered under HVDS scheme, within one month. Also, the Discoms are directed to furnish the mid-year report (i.e., for the period from 01.04.2012 to 20.09.2012) on meter-wise readings noted and transformer-wise, feeder-wise consumptions measured on all the DTRs & Feeders covered under HVDS scheme.
		Fresh Directive No.3	Determination of Sales Volumes for LT-V (Agriculture) The Licensees are directed to follow the new methodology approved by the Commission in the next Tariff filing for Retail Supply of Electricity without fail. Each Licensee shall file monthly progress report with the Commission on the implementation of new methodology while keeping a copy on their websites.
2)	Verification of quality & cost of domestic and imported coal.	Fresh Directive No.7	Monitoring the Cost of imported Coal procured by APGenco and NTPC The Discoms are directed to verify whether APGenco is procuring imported coal through competitive bidding process, or under any guidelines issued in this regard by GoI, before admitting the Station wise power purchase bills claimed by APGenco. Regarding NTPC Stations, Discoms have to take-up the pricing issue of imported coal, if any, with CERC.
		Fresh Directive No.8	Dependence on imported Coal Discoms are directed to ensure that APGenco shall follow the recommendations of the CEA, contained in clause 7.1 of the CEA document "Report Of the Group For Studying Range Of Blending Of Imported Coal With Domestic Coal" released in the month of April'12, which reads as follows: <i>"About 10-15% blending of imported coal by weight (15-25% on heat value basis) can generally be carried out in typical existing Indian power boilers designed for low quality Indian coals"</i> Similarly, for new stations designed higher GCV coal, the CEA in its letter No.CEA/TE&TD-TT/2011/F-901-111 dated 19.04.2011 addressed to all State Power Secretaries, Thermal Power

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			<p>generating companies/project developers etc., mentioned as follows:</p> <p><i>“Accordingly, all power generating companies, power project developers and power equipment manufacturers are hereby advised that for the purpose of design of boilers for all future indigenous coal based thermal power plants, a stipulation shall be made that the boilers (including auxiliaries) shall be designed for blend ratio by weight of 30:70% (or higher) imported/high GCV indigenous coal”</i></p> <p>In view of the above, the Discoms shall ensure the limit of usage of imported coal as above.</p> <p>Regarding usage of imported coal in CG Stations, the Discoms may insist the CG Stations to follow the orders issued by CERC, if any, or may advise the CG Stations to follow the CEA guidelines in this regard.</p>
		Fresh Directive No.9	<p>Quality of Domestic Coal</p> <p>The Discoms are directed to <i>“appoint independent coal auditors to ensure that the coal of agreed quality and price as per fuel supply agreement (FSA) is used for generation of power at all coal based Thermal Power Stations. Before making final payment such audit reports should be verified by the concerned officers of the Discoms.”</i></p> <p>APGenco is also directed to adopt proper sampling technique both at sending and receiving end for coal supply from each source separately keeping in view the importance of coal audit as directed to Discoms.</p>
		Fresh Directive No.10	<p>Transit Losses of Coal</p> <p>Licensees are directed to take up the matter⁵ with APGenco for a critical examination of the actual transit loss and coal consumption of required quality and price and submit a report to the Commission within three months of issue of this order.</p>
		Fresh Directive No.11	<p>Impact of Imported Coal</p> <p>Distribution Licensees are directed to take-up the issue of variation in GCV (lower GCV of blended coal than indigenous coal) of CG stations with NTPC and report compliance by 30th September, 2013.</p> <p>Licensees are directed to take up the matter with APGENCO for a critical examination of the variation in GCV and submit a report to the Commission by 30th September, 2013.</p>
3)	Distribution Transformer (DTR) failures.		To conduct detailed analysis on failure of Distribution Transformers (DTRs) and verify the data furnished by Discoms in respect of failure of DTRs and their compliance with respect to timeline specified for replacement of failed DTRs in APERC (Licensees’ Standards of Performance) Regulation No.7 of 2004 read with its subsequent first and second amendments.
4)	Estimation of AT&C losses.		To analyse the data furnished by Discoms and suggest more accurate methodology for determination of Aggregate Technical and Commercial (AT&C) losses in each Discom.