

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

ANNUAL ACCOUNTS 2000-2001

D.NO. 11-4-660, 4TH FLOOR, SINGARENI BHAVAN, RED HILLS,
HYDERABAD - 500 004.

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AUDIT CERTIFICATE

I have examined the Receipts & Payments Account, Income & Expenditure Account for the year ended 31 March 2001 and the Balance Sheet as on 31 March 2001 of Andhra Pradesh Electricity Regulatory Commission, Hyderabad. I have obtained all the information and explanations that I have required and subject to the observations in the appended Audit Report, I certify, as a result of my audit that, in my opinion, these accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of the Andhra Pradesh Electricity Regulatory Commission, Hyderabad, according to the best of information and explanations given to me and as shown by the books of the Organisation.

Sd/- Smt. Sudarshana Talapatra
ACCOUNTANT GENERAL (C&RA)

Place: HYDERABAD
Date: 17/01/2005

**SEPARATE AUDIT REPORT ON THE ACCOUNTS OF
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
FOR THE YEAR ENDED 31ST MARCH 2001.**

A) INTRODUCTION

Andhra Pradesh Electricity Regulatory Commission established under section 3 (1) of Andhra Pradesh Electricity Reforms Act, 1998 came into existence in April 1999. The Accounts of the Commission were audited under section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The main functions of the Commission inter-alia include :-

- to aid and advise in matters concerning electricity generation, transmission, distribution and supply in the State;
- to regulate the working of the licensees;
- to promote efficiency and safety in the use of electricity in the State.
- to regulate the purchase, distribution, supply and utilisation of electricity, the quality of service, the tariff and charge payable keeping in view both the interest of the consumer as well as the consideration that the supply and distribution cannot be maintained unless the charges for electricity supplied are adequately levied and duly collected;
- to promote competitiveness and progressively involve participation of private sector while ensuring fair deal to the consumer; and
- to undertake all connected incidental or ancillary activities.

B) FORM OF ACCOUNTS

The commission prepared its accounts in accordance with provisions of Para 11(1) of part-1 of schedule to Andhra Pradesh Electricity Reforms Act, 1998, and in the format approved by Comptroller & Auditor General of India.

C) ORGANISATIONAL SET UP

The commission consists of Chairman and two Members who are assisted by a Secretary to discharge their functions.

D) OPERATIONAL PERFORMANCE

Andhra Pradesh Regulatory Commission is financed mainly by way of grants-in-aid from Government of Andhra Pradesh. During the year, the Commission received Rs. 37.34 lakh towards capital expenditure and Rs.196.33 lakh towards revenue expenditure.

During the year, the Commission recovered an amount of Rs. 677.39 lakh towards licence fees and an amount of Rs. 678.50 lakh was remitted to the State Government.

E) COMMENTS ON ACCOUNTS

Based on the preliminary observations made by the Comptroller & Auditor General of India, the accounts of the Commission have been revised as disclosed Sl. No. 5 of "Notes on Accounts" forming part of accounts. As such, there is no further comment to offer on the accounts of the Commission.

Sd/- Smt. Sudarshana Talapatra
ACCOUNTANT GENERAL (AU)-II

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2001

Receipts	Current Year 2000-2001 Rs.	Previous Year 1999-2000 Rs.	Payments	Current Year 2000-2001 Rs.	Previous Year 1999-2000 Rs.
To Balance b/d			By Pay & Allowances to Chairman & Members		
a) Cash at Bank			a) Salaries	1388856.00	1217531.00
SBH	709757.29	0.00	b) Other Benefits		
Canara Bank	4489.00	0.00	Water charges	30672.25	12109.15
b) Cash on Hand	7225.00	0.00	Electricity charges	38021.50	20313.00
To Grants-in-Aid			Leased Accommodation	180000.00	126500.00
a) Towards Revenue A/c	19633404.65	15283108.40	Providing Security Guards	159488.00	61857.00
b) Towards Capital A/c	3733595.35	5440996.60	Transfer TA	0.00	56575.00
To Licence Fee	67739047.00	4075060.00	Reimbursement of Newspaper charges	5409.50	2664.50
To Loans			c) Travelling Expenses		
a) From Govt.	0.00	0.00	i) Overseas	0.00	677182.00
b) From Others Specify	0.00	0.00	ii) Domestic	335922.00	619998.00
To Sales			By Pay & Allowances to Officers and Staff		
a) Sale of Publications	0.00	332299.00	a) Salaries	8301629.76	4476895.33
b) Sale of Assets	0.00	0.00	b) Wages	0.00	0.00
c) Sale of Tender Documents	0.00	0.00	c) Other Benefits		
d) Sale of Investments	0.00	0.00	Reimbursement of Newspaper charges	15179.50	2788.00
To Interest Income			d) Travelling Expenses		
a) Interest on Investments	0.00	0.00	i) Overseas	0.00	0.00
b) Interest on Deposits	0.00	0.00	ii) Domestic	183358.00	143836.00
To Recoveries towards			e) Over Time	0.00	0.00
Loans & Advances			f) Honorarium by hiring of Man Power	1195803.00	701151.58
a) Principal	12870.00	3000.00	By Office Expenses		
b) Interest	0.00	0.00	a) Printing & Stationery	204448.00	187990.90
To Unspent amount remitted by APIIC	125452.00	0.00	b) Publication Expenses	0.00	0.00
To Recoveries for remittance			c) Postage & Telegram charges	82365.50	25820.00
a) Income Tax	32868.00	0.00	d) Telephone Charges	479934.72	288976.00
b) Salary Recoveries	831.00	0.00	e) Electricity & Water Charges	315061.00	71660.00
To Miscellaneous Receipts			f) Insurance, Rents & Taxes	1240597.00	1017425.00
a) Sale of Tariff Order 2001-02	5170.00	0.00	g) POL	256875.55	159684.80
b) Sale of Guidelines and Procedures (CPP)	845.00	0.00	By Other Miscellaneous Expenses	876268.98	360490.15
c) Procedure for CPP	1169.00	0.00	By Advertisement Expenses	769880.00	1603670.00
d) Terms of Sale of Non-Conversional	300.00	0.00	By Transport Expenses	0.00	0.00
e) Consumer right for information	377.00	0.00	By Hiring of Private Vehicles	596278.00	454898.50
f) Terms of sale of Power	400.00	0.00	By Payment of Professional and Special Services	626112.00	170500.00
g) Recruitment Fee	13634.00	0.00	By Subscription & Membership	100000.00	100000.00
h) Miscellaneous	3133.00	0.00	By Hospitality charges	92787.40	39704.45
			By Receipts remitted to Government of AP A/c	67850000.00	4400000.00
			By Repairs & Maintenance		
			a) Buildings	6600.00	0.00
			b) Vehicles	70820.00	37712.00

Receipts	Current Year 2000-2001	Previous Year 1999-2000	Payments	Current Year 2000-2001	Previous Year 1999-2000
			By Capital Expenditure		
			Office Vehicles	0.00	1248156.00
			Furniture (Office)	42910.00	1413068.65
			Computers	1615176.05	1115604.00
			Software	584919.30	72765.00
			Stabilizers	41200.00	32000.00
			Air-Conditioners	269502.00	455716.00
			Air-Cooler	5900.00	0.00
			Refrigerator	0.00	14990.00
			Ceiling fans	0.00	27144.00
			Fax Machine	0.00	58500.00
			Typewriter (Facit)	0.00	10375.00
			Usha Water Cooler	0.00	20746.00
			Modi Xerox	0.00	146090.00
			Books	109716.00	56857.00
			Projector	0.00	166670.00
			EPABX	0.00	232619.00
			Cell Phone	0.00	35250.00
			<i>Furniture (Commissioners)</i>		
			Annexure - I	41274.00	4122.95
			Annexure - II	28400.00	330323.00
			By Deposits		
			a) Telephones	1000.00	66000.00
			b) Tata Cellular	12000.00	13000.00
			c) Deposit to Life Water Security Pvt.Ltd.,	1250.00	0.00
			d) Advance Rent to Landlords	0.00	240000.00
			e) Advance to Mohsin Motor Needs	1072.50	10818.75
			f) LPG refill deposit	0.00	3100.00
			g) Advance to APIIC towards restructuring of Office Accommodation	0.00	1595000.00
			h) Deposit with APTS	540907.65	0.00
			I) BSNL	20000.00	0.00
			j) Annual Port	30000.00	0.00
			By Bank Charges	0.00	0.00
			a) Interest	0.00	0.00
			b) Collection	426.00	645.00
			c) Commission etc.,	0.00	0.00
			By Loans & Advances to Employees	13400.00	5500.00
			By Repayment of Loans		
			a) Government	0.00	0.00
			b) Others	0.00	0.00
			By Audit Fees	0.00	0.00
			By Recovery of Excess Pay & Allowances	10400.00	0.00
			By Payment of Outstanding Expenses for the year 1999-2000		
			Pay & Allowances	85473.00	
			Travelling Allowances	884.00	
			Advertisement expenses	43540.00	
			Other Office expenses	217255.68	
			LSC/PC	63093.00	
			Due to APTS	31946.00	
			By Closing Balances		
			a) Cash on Hand	25540.00	7225.00
			b) Cash at Bank		
			Slate Bank of Hyderabad	2739739.45	709757.29
			Canara Bank	45275.00	4489.00
Total	92024567.29	25134464.00	Total	92024567.29	25134464.00

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
INCOME & EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2001

Expenditure	Sch.	Current Year 2000-2001 Rs.	Previous Year 1999-2000 Rs.	Income	Sch.	Current Year 2000-2001 Rs.	Previous Year 1999-2000 Rs.
To Salaries	A	10119256.51	5977232.98	By Grants-in-Aid			
To Travelling Expenses	B	519280.00	1441016.00	a) for Salaries		12085000.00	5647000.00
To Retirement Benefits	C	0.00	0.00	b) Other Revenue			
To Wages		0.00	0.00	Grants-in-aid		7422952.65	9636108.40
To Overtime		0.00	0.00	By Due from Transco		65724.00	42388.00
To Honorarium		0.00	0.00	By Excess of Expenditure over income		449874.36	0.00
To Hiring of Man Power		1195803.00	701151.58				
To Office Expenses	D	4870728.15	2877149.80				
To Repairs and maintenance		77420.00	37712.00				
To Loss on sale of assets / investments		0.00	0.00				
To Advertisement expenses		769880.00	1603670.00				
To Depreciation	E	1128494.95	364929.00				
To Bad Debts written off		0.00	0.00				
To Provisions for outstanding exepneses		0.00					
Salaries		181613.00	85473.00				
Travelling Expenses		27832.00	884.00				
Office Expenses		735025.72	217255.68				
Advertisement Expenses		0.00	43540.00				
LSC/PC		398217.68	259162.90				
Due to APTS		0.00	31946.00				
To Audit Fees		0.00	0.00				
To Excess of Income over Expenditure (Transferred to Capital account)		0.00	1684373.46				
Total		20023551.01	15325496.40	Total		20023551.01	15325496.40

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
BALANCE SHEET AS ON 31ST MARCH 2001

Liabilities	Sch.	Current Year 2000-2001 Rs.	Previous Year 1999-2000 Rs.	Assests	Sch.	Current Year 2000-2001 Rs.	Previous Year 1999-2000 Rs.
Funds				Fixed Assets	E		5440996.60
(a) Capital funds	-	7125370.06	0.00	Gross Block		9649541.95	
Add: Excess of income over expenditure		0.00	1684373.46	Less Depreciation		1493423.95	364929.00
(b) Capital Grants		3733595.35	5440996.60	Net Block		8156118.00	5076067.60
Less: Excess of Expenditure over income		449874.36	0.00				
		10409091.05	7125370.06				
Reserves				Capital work in progress	E	0.00	0.00
Loans from :	L			Investments	F	0.00	0.00
(a) Government		0.00	0.00	Deposits and Advances	G	939148.90	1927918.75
(b) from others		0.00	0.00	Loans and Advances to staff	H	13430.00	2500.00
Current Liabilities and Provisions				Accounts receivable	I	0.00	0.00
Due to APTS		0.00	31946.00	Other current assets	J	0.00	0.00
Due to Government (Receipts)		45815.00	6714.00	Cash and Bank Balances	K	2810554.45	721471.29
Provisions for outstanding Expenses				Due from APTRANSCO		108112.00	42388.00
Salaries		181613.00	85473.00				
Travelling Expenses		27832.00	884.00				
Office Expenses		735025.72	217255.68				
Advertisement Expenses		0.00	43540.00				
LSC/PC		594287.58	259162.90				
Due to Income Tax Dept.		32868.00	0.00				
Due to Lending Dept.		831.00	0.00				
Total		12027363.35	7770345.64	Total		12027363.35	7770345.64

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
Annual Accounts 2000 - 2001

SCHEDULE - A

Salaries	Current Year 2000 - 2001 Rs.	Previous Year 1999 - 2000 Rs.
Salaries to Chairman & Members	1388856.00	1217531.00
Salaries to Officers & Staff	8301629.76	4476895.33
Other benefits to Chairman & Members	413591.25	280018.65
Other benefits to Officers & Staff	15179.50	2788.00
Total :	10119256.51	5977232.98

SCHEDULE - B

Travelling Allowances to Chairman & Members	Current Year 2000 - 2001 Rs.	Previous Year 1999 - 2000 Rs.
a) Overseas	0.00	677182.00
(b) Domestic	335922.00	619998.00
Travelling allowances to Officers & Staff		
(a) Overseas	0.00	0.00
(b) Domestic	179108.00	109673.00
Transfer T.A.	4250.00	34163.00
Total	519280.00	1441016.00

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
Annual Accounts 2000 - 2001

SCHEDULE - D

Office Expenses	Current Year 2000 - 2001 Rs.	Previous Year 1999 - 2000 Rs.
Printing & Stationery	204448.00	187990.90
Postage & Telegram charges	82365.50	25820.00
Telephone charges	479934.72	288976.00
Electricity & water charges	315061.00	71660.00
Insurance, Rents & Taxes	1240597.00	1017425.00
POL	256875.55	159684.80
Other Miscellaneous Expenditure	876268.98	360490.15
Hiring of private vehicles	596278.00	454898.50
Payment of Professional & Special services	626112.00	170500.00
Subscription & Membership	100000.00	100000.00
Hospitality charges	92787.40	39704.45
Total	4870728.15	2877149.80

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
Annual Accounts 2000 - 2001

SCHEDULE - E

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	Original Cost	Additions during the year 2000-2001	Deductions	Cost as on 31-3-2001 (A)	As on 1-4-2000	For the year 2000-2001	Adjustments	As on 31-3-2001 (B)	(A-B)
Cars	1248156.00	0.00		1248156.00	92746.00	118575.00		211321.00	1036835.00
Furniture (Office) Furniture (Commissioners)	1413068.65	42910.00		1455978.65	56694.00	90256.00		146950.00	1309028.65
Annexure - I	4122.95	41274.00		45396.00	2061.00	22697.95		24758.95	20638.00
Annexure - II	330323.00	28400.00		358723.00	31803.00	48651.00		80454.00	278269.00
Computers	1067477.00	1615176.05		2682653.05	85083.00	271798.00		356881.00	2325772.05
Air-Conditioners	455716.00	269502.00		725218.00	14703.00	32863.00		47566.00	677652.00
Air-Cooler	0.00	5900.00		5900.00	0.00	257.00		257.00	5643.00
Stabilizers	32000.00	41200.00		73200.00	1175.00	2645.00		3820.00	69380.00
Fax machine	30000.00	0.00		30000.00	1188.00	2780.00		3968.00	26032.00
Type writer	10375.00	0.00		10375.00	370.00	493.00		863.00	9512.00
Water cooler	20746.00	0.00		20746.00	780.00	985.00		1765.00	18981.00
Ceiling Fans	27144.00	0.00		27144.00	752.00	1289.00		2041.00	25103.00
Refrigerator	14990.00	0.00		14990.00	237.00	712.00		949.00	14041.00
Modi Xerox	146090.00	0.00		146090.00	867.00	6939.00		7806.00	138284.00
Books	56857.00	109716.00		166573.00	1902.00	12992.00		14894.00	151679.00
EPBAX	232619.00	0.00		232619.00	3683.00	11050.00		14733.00	217886.00
Projector	166670.00	0.00		166670.00	18011.00	27017.00		45028.00	121642.00
Printer	48127.00	0.00		48127.00	5200.00	7800.00		13000.00	35127.00
Fax Machine	28500.00	0.00		28500.00	903.00	0.00		903.00	27597.00
Software	72765.00	584919.30		657684.30	11521.00	131537.00		143058.00	514626.30
Cell Phones	35250.00	0.00		35250.00	35250.00	0.00		35250.00	0.00
Wooden Partition	0.00	684968.00		684968.00	0.00	68650.00		68650.00	616318.00
Court Hall Furniture	0.00	309630.00		309630.00	0.00	31033.00		31033.00	278597.00
Civil Works	0.00	474950.00		474950.00	0.00	237475.00		237475.00	237475.00
Total	5440996.60	4208545.35		9649541.95	364929.00	1128494.95		1493423.95	8156118.00

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
Annual Accounts 2000 - 2001

SCHEDULE - G

Deposits and Advances	Current Year 2000 - 2001 Rs.	Previous Year 1999 - 2000 Rs.
Deposits with Government	0.00	0.00
Deposits with Private parties	0.00	0.00
Advances to Government & Government Companies	0.00	0.00
<u>Advances to others</u>		
Telephone Deposits	67000.00	66000.00
Tata cellular deposits	25000.00	13000.00
Two months advance to Landlords	240000.00	240000.00
Advance to Mohsin Motor Needs	11891.25	10818.75
LPG refill deposit	3100.00	3100.00
Deposit to APIIC towards restructuring of Building	0.00	1595000.00
Deposit with APTS	540907.65	0.00
BSNL (computers)	20000.00	0.00
Annual Port Charges (computers)	30000.00	0.00
Life Water Security Pvt.Ltd.,	1250.00	0.00
Total	939148.90	1927918.75

SCHEDULE - H

Deposits and Advances	Current Year 2000 - 2001 Rs.	Previous Year 1999 - 2000 Rs.
Loans and Advances to Employees	13430.00	2500.00
Loans and Advances to contractors	0.00	0.00
Other Loans & Advances	0.00	0.00
Total	13430.00	2500.00

SCHEDULE - K

Cash & Bank Balances	Current Year 2000 - 2001 Rs.	Previous Year 1999 - 2000 Rs.
Cash on Hand	20540.00	2225.00
Imprest	5000.00	5000.00
Balance with Banks		
SBH	2739739.45	709757.29
Canara bank	45275.00	4489.00
Total	2810554.45	721471.29

NOTES ON ACCOUNTS

1. The Accounts of the commission is prepared on accrual basis
2. As advised by the Comptroller and Auditor General of India, the depreciation is calculated at the rates recommended in Companies Act 1956 under Straight Line Method.
3. As per the Service conditions of Hon'ble Chief Justice and Judges of A.P. High Court, the depreciation for the Commissioners' Residence Furniture is worked out under Written Down Value Method @ 15% p.a.
4. As per the Commission's order cent percent depreciation provided on capital items purchased at a time upto Rs. 10,000/- during the Financial Year.
5. The Annual Accounts of the commission 2000-2001 is revised as directed by the Comptroller and Auditor General of India.

(BY ORDER OF THE COMMISSION)

Sd/-

S. SURYA PRAKASA RAO
Commission Secretary

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL STATEMENT OF ACTIVITIES
EXECUTIVE SUMMARY**

THE COMMISSION

The Andhra Pradesh Electricity Regulatory Commission (herein after called the Commission) was established on 31-3-99 as an independent statutory body under the provisions of A.P. Electricity Reform Act 1998 (herein after called the Reform Act). The Commission has 3 members appointed by the Govt. as per the selection procedure prescribed in the Reform Act. One Member was designated as Chairman of the Commission. The present report refers to the major activities of the Commission during 2000-01, which is the second functional year, after the Commission has been constituted.

ACTIVITIES IN 2000-01 IN BRIEF:**LICENSING**

As a part of the restructuring of power sector envisaged in the Act, four electricity distribution companies were formed under State Govt. ownership, as subsidiaries of APTRANSCO on 31-3-2000. The Commission permitted APTRANSCO to assign the functions of Distribution and Retail Supply to these four distribution companies to begin with. Each of these distribution companies later applied for separate licence for Distribution and Retail Supply in their respective areas. The Commission granted licences to these four Distribution Companies on 29-12-2000 after calling for objections if any, and after observing all other formalities prescribed in the Act. The licences were granted for a period of 30 years, effective from 1-4-2001. The Commission renewed the licenses for nine Rural Electric Cooperative Societies for one year during March 2001.

MONITORING THE LICENSEES' PERFORMANCE

Apart from prescribing the relevant conditions in the licence for proper conduct of business of Distribution and Retail Supply, the Commission followed the system of dynamic regulation through issuing specific directives and ensuring their compliance by the licensees. These directives were primarily aimed at improving the operational and financial performance of the companies. The licensee's performances in respect of compliance of the directives and standards of service was monitored by the Commission through review meetings.

TARIFF ORDERS

The Commission issued the first tariff order on 27-5-2000 for FY 2000-01. The Commission approved the tariff filing made by APTRANSCO and issued the tariff order with Aggregate Revenue Requirement of Rs. 8365 Crores against Rs.9018 Crores filed by APTRANSCO. The Commission's tariff order provided for the coverage of the approved expenditure of Rs.8365 Crores through (a) revenue from tariffs, (b) external subsidy from Government of Andhra Pradesh (GoAP), and (c) efficiency gains prescribed by the Commission for licensees. The additional revenue expected from Tariff revision was Rs.791 Crores with an overall increase in tariff by 14.5%. The Commission also ensured the tariff filings by nine Rural Electric Co-operative Societies and fixed the bulk supply rate to be paid by them to APTRANSCO for the purchase of electricity. The Commission approved Rs.275crores investment proposals made by APTRANSCO during the year.

CONSUMER PROTECTION

The Commission prescribed the Standards of service to be followed by licensees in Distribution and Retail supply of electricity. The Commission prescribed the standards for the first time in the electricity supply industry in the State. These standards cover supply interruptions, quality of supply, metering and billing, release of new connections, etc. The Commission notified Regulations in respect of Standards of

Performance and Consumer's Right to Information. The Commission approved the Complaint handling procedure to be followed by the licensees and required the licensees to follow these procedures. The Commission Advisory Committee(CAC) met six times during the year and deliberated on several issues including consumer interest and tariff related issues.

ADMINISTRATION

The Commission incurred Rs.2.06crores expenditure during the year 2000-01. The Commission's revenue from licence fees and other miscellaneous sources was Rs.6.79 crores during the year. The Commission's accounts were audited during the year by Comptroller & Auditor General of India (CAG). The Commission and Officers of the Commission attended various workshops, training programmes and seminars both in India and abroad.

CHAPTER II : LICENCING

During the year, the GOAP formed four companies on 31-3-2000 for the purpose of undertaking distribution and retail supply business in the State. Upon the formation of these companies and on request of APTRANSCO, the Commission permitted for assigning the Distribution and Retail supply functions of APTRANSCO to these newly formed four companies in the State with the direction to file the application for separate licence. Subsequently, these four companies have made applications on 31-5-2000 with the Commission for issue of licences as per the provisions of the APER Act, 1998. The details of these companies are;

NAME OF DISTRIBUTION COMPANY	AREA/DISTRICTS
Andhra Pradesh Eastern Power Distribution Company Limited, Visakhapatnam	Srikakulam, Vizianagaram, Visakhapatnam, East Godavari and West Godavari
Andhra Pradesh Central Power Distribution Company Limited, Hyderabad.	Nalgonda, Medak, Ranga Reddy, Hyderabad, Mahaboobnagar, Kurnool and Anantapur
Andhra Pradesh Northern Power Distribution Company Limited, Warangal	Nizamabad, Adilabad, Warangal, Khammam and Karimnagar.
Andhra Pradesh Southern Power Distribution Company Limited, Tirupathi	Krishna, Guntur, Ongole, Nellore, Chittoor and Cuddapah.

The Commission directed the applicant companies to issue public notice calling for objections and also held public hearings. The Commission issued separate licence for each of the four DISCOMs for Distribution and Retail supply on 29/12/2000 effective from 01-04-01 for a period of 30 years. The list of licences issued during 2000-01 are furnished in the **Annexure - A** and the List of Exemptions issued during 2000-01 are furnished in **Annexure-B**

Licences for Rural Electric Co-operative societies:

The Commission issued licences for Nine Rural Electric Co-operative Societies under Reform Act on 20-1-2000 for one year only as their existence in the reform scenario was not certain especially in view of their poor performance pending final decision of GoAP of continuation of these Societies. The societies have made applications for renewal of the licence during the year. The Commission, based on the request of the GoAP to extend the licence for one more year (pending finalisation of a decision by the GoAP on continuation of the societies), renewed the licences issued earlier for one more year on 29-01-2001.

The details of the RESCOs are furnished in **Annexure- C**

LICENCE FEE

The following license fees are payable by Transco & the Discoms per annum

TRANSCO	Rs.125 lakhs
CPDCL	Rs.120 lakhs
SPDCL	Rs.70 lakhs
NPDCL	Rs.50 lakhs
EPDCL	Rs.60 lakhs

The total licence fee payable per annum by the Licensees was determined on the principle that the costs of APERC shall be recovered from the licensees, RESCOs, licence exemptees and Captive Power Plant (CPP) applicants, based on the volume of power handled by them.

LICENCE FOR GENERATING COMPANIES ENGAGED IN THIRDPARTY SALES:

Any power developer who wanted to supply power to persons other than a licensee (termed as Third Party Sale) had to take a licence from Commission under Section 15 of the Reform Act or an exemption from having a licence in terms of Section 16 of the Reform Act. The Commission had addressed the question of impact of third party sale on the licensee i.e. APTRANSCO in the background of the present poor financial state of APTRANSCO. The Commission after careful consideration took the view that allowing third party sales by private energy developers in the Licensees' area of operation affects the working of the Licensees and the organised development of the electricity industry and it was not in public interest. This was particularly so because there existed significant element of cross-subsidization and the industrial/commercial consumers were paying substantially higher charges as against some classes of consumers paying charges significantly lower than average cost of supply. The third party sales were only to these higher tariff bracket industrial consumers and this meant that the resulting loss in cross-subsidization will have to be borne more acutely by the remaining industrial consumers. This would also effect the ability of the Commission to progressively reduce the cross-subsidization. The Commission had therefore the important function to ensure that the third party sales were regulated and the electricity distribution and supply activities were carried out efficiently by the Licensee.

REGULATION OF THIRD PARTY SALE BY NON-CONVENTIONAL ENERGY DEVELOPERS:

Considering the above aspects and other relevant issues the APERC after hearing Non-conventional energy Developers, had issued orders under proceedings No.5 dated 06-03-2000 prohibiting third party sales by Non-Conventional Energy Developers. The said order of the Commission was challenged in the Hon'ble High Court of A.P. by two developers Viz., Ind Bharat Energies Ltd., and Vamshi Industries Ltd. By a common order dated 28-04-2000 in W.P.Nos.5658 & 6230 of 2000, the Hon'ble High Court set aside the proceedings No.APERC/Secy/Engg/No.5 dt.6-3-2000 issued by the Commission on the ground that the developers were not put to notice with regard review of incentives and ban of third party sales before issuing the proceedings. However, the Hon'ble court gave liberty to the Commission to put the developers to specific notice on the said issues and dispose off the matter afresh. The Commission preferred Writ Appeals on the judgement dt.28-4-2000 of the Hon'ble High Court which were allowed by the High Court on 16.04.2001.

CAPTIVE POWER PLANTS

In the light of experience of administering the practice directions in the preceding years, modified practice directions were issued as practice Directions (Rev-I) vide APERC proceedings No.7 dt: 20-02-2001. The main features of these modified practice directions were as follows: (For new CPPs).

1. General permission for CPPs up to capacity of :
 - 500 KVA for Industries
 - 125 KVA for Software units
 - 63 KVA for office
 - a. The CPP should be used as standby source only, during outage of Licensee's supply
 - b. CPP capacity should not exceed 1.5 times the contracted maximum demand with the licensee.
2. Co-generation plants conforming to Commission proceedings 26, were permitted for continuous operation, without restriction of capacity of 500 KVA
3. CPPs above 500 KVA would be permitted on examination case by case basis, only for continuous process industries and voltage/ frequency sensitive industries, duly limiting the capacity of CPP to the critical requirement of part for continuous process sensitiveness to frequency and/ or voltage. Similarly CPPs for essential services like Hospitals etc. would be allowed to the extent of essentiality.
4. Parallel operation of CPPs in general was not permitted. If permitted, certain special conditions like compliance with grid code, payment of grid support charges, etc. had to be followed.
5. Application for CPPs would not be entertained from a person who had not applied to licensee for electricity connection.

By proceedings No.8, of the Commission authorized the APTRANSCO to take action against the unauthorized captive generation sets and shutdown the same. The same was published in the A.P. Gazette No.58 dt. 20-05-2000. Similarly, by Proceeding No.27 dt:24-08-2000, the Commission also authorised 9 Rural Electric Co-operatives to take action against unauthorized captive generation sets and to shutdown the same.

CHAPTER-III

Monitoring of Licensees performance

In order to ensure efficient and economic supply of electricity in the State, the Commission prescribed in the licence that the licensee shall submit the following Standards and Codes within a period of six months.

A. Transmission and Bulk Supply Licence

- (i) transmission planning and security standards
- (ii) power supply planning and security standards
- (iii) transmission operating standards
- (iv) power supply operating standards
- (v) grid code

B. Distribution and Retail Supply Licence

- (i) distribution code and construction practices
- (ii) distribution system, planning and security standards
- (iii) distribution system operating standards
- (iv) overall performance standards
- (v) code of practice on payment of bills
- (vi) complaint handling procedure
- (vii) consumers right statement

The documents submitted by APTRANSCO were under scrutiny by Commission staff. The Commission issued ten directives in Tariff order for FY 2000-01 primarily aiming at improving the operational and financial performance of APTRANSCO.

Apart from the obligation of licensee to comply with the Standards & Codes as per licence conditions, the Commission considered it necessary to issue specific directives in the tariff orders, on various operational, Revenue and finance/Accounting matters to promote efficiency improvement in the performance of licensees. The Commission prescribed the Regulatory Information system to be furnished by the licensees every month.

The performance of the licensees was monitored by the Commission. The Commission conducted four review meetings during 2000-01.

CHAPTER - IV

TARIFF ORDERS AND ISSUES

TARIFF ORDER FOR FY 2000-01

Determination of Tariff being one of the main functions of the Commission, the Commission issued the first tariff order for FY:2000-01 based on an application made by APTransco after holding the public hearings, at Hyderabad from 8-5-2000 to 12.5.2000.

In deciding the tariff the Commission adopted the following broad principles for the first time in fixing the Electricity tariff for different categories in the State.

- 'Cost to serve' for each consumer category based on embedded costs.
- Limitation of tariff hike for subsidising categories
- Allocating full cost to each class of consumer category after apportioning cross subsidy from subsidising categories.
- Allocate efficiency improvement target.

After arriving at the fully allocated costs for each consumer category as above the Commission determined the full cost tariffs for each category and informed the Govt. to indicate whether Govt. would issue any subsidy directions as per Sec12(3) of the Reform Act for any class of consumers.

After receiving subsidies proposals from GOAP, the Commission approved the tariff filing made by APTRANSCO and issued the tariff order on 27-5-2000 for FY 2000-01 with Aggregate Revenue Requirement of Rs. 8365 Crores against Rs.9018 Crores filed by APTRANSCO. The Commission's tariff order provided for the coverage of this revenue requirement of Rs.8365 Crores through (a) revenue from tariffs, (b) external subsidy from GoAP, and (c) efficiency gains prescribed by the Commission for licensees. After the issue of the tariff order, there was public uproar over tariff increase primarily for domestic consumers. The GOAP provided additional subsidy of Rs.281 crores towards reduction in Tariff of Domestic consumers. With this additional subsidy, the overall increase in tariff worked out to 14.5% yielding an additional revenue of Rs.791 crores from Tariff revision.

The Commission effected the following significant changes in Tariff:

- Allocation of cross subsidy and external subsidy based on established principles
- Shifting of domestic tariff from non telescopic to telescopic structure.
- Timely flow of external GOAP subsidy to APTransco.

The Commission's order was challenged in High Court of Andhra Pradesh by several petitioners on different issues. The Hon'ble High Court upheld the tariff order issued by the Commission in terms of a) Process followed and b) in exercising its authority over tariff determination. The select extracts of the Order issued by the Hon'ble High Court are given in **Annexure-D**

The Commission took up the task of rationalisation of Bulk supply tariff fixed earlier by the Govt. to the Rural Electric Co-operative societies (RESCOs) at nominal rates ranging from 2 paise per unit to 9 paise per unit. The Commission has thoroughly reviewed the performance of the RESCOs and the Bulk supply tariffs have been fixed at a higher level as per the provision of the sixth Schedule of Supply Act, as envisaged in the Reform Act. The existing and revised rates for bulk supply to RESCOs are given in **Annexure-E**

TARIFF ORDER FOR FY 2001-02

APTransco and its Four subsidiary Companies made the annual ERC filings for FY: 2001-02 on 30-12-2000 and tariff filing on 17-1-2001 as per the provisions of the licence issued under APER Act. This was a joint filing made by APTransco and four subsidiary Companies before the Commission. The Commission examined the filing and had taken these filings on record for finalisation of ARR and tariffs for FY: 2001-02. Similarly, all 9 RESCOs also made their annual filings with the Commission for FY:2001-02.

The Commission examined the filing for the purpose of approving the expenditure and finalisation of tariff order for FY:2001-02. The Commission held the public hearings on these filings at the following places:

Place of Hearing	Date of Hearing
Tirupati	26-2-2001
Hyderabad	1.3.2001 to 8.3.2001

APTransco and four Distribution Companies made the application for the approval of a total Rs.8828 crores as revenue requirement for FY:2001-02. The Commission after scrutiny of the proposals and after conducting public hearings on these filings, approved the revenue requirement at Rs.8285 crores. The Commission also prescribed the efficiency gains to be achieved at Rs.501 crores. The Commission issued a total of 15 directives aiming at improving the operational and financial performances of the Companies.

The Commission fixed the bulk supply tariff to be paid by the Distribution Companies to APTransco for the first time for power purchase. The Commission fixed differential bulk supply rates to ensure uniform retail tariffs throughout the state. The Commission also fixed the bulk supply rate to be paid by RESCOs to respective DISCOMS based on filings made by the RESCOs.

The Commission announced an incentive scheme based on load factor for HT category-I consumers on telescopic basis to improve the sales from distribution companies to those consumers. The Commission on request of the general public and the GOAP increased the No. of slabs from 4 to 6 for domestic consumers. The Commission initiated the Demand Side Management (DSM) measures through announcing 50% concession in tariff for agricultural consumers for a period of 3 years.

CHAPTER - V

CONSUMER PROTECTION

INTRODUCTION

The Commission has the mandate under sections 11(1) (e), 26(2) (c) and 33(1) of the Reform Act, 1998 to protect the interests of the consumers. The Reform Act states that regulation of the purchase, utilisation, distribution and supply of electricity, quality of service and tariff and charges payable shall be set keeping in view the interests of all stake holders. The Commission is also required to ensure minimum standards of performance and uphold the right to information of the consumer. It must determine and enforce standards of overall performance by the licensee.

As a first step to carry out the mandate, the Commission prepared two draft regulations on (i) standards of performance in connection with electricity supply to consumers and (ii) consumers right to information. As per section 33 (1) Reform Act, 1998, the Commission has to finalise these regulations after consultation with (a) holders of supply licences (b) other persons or bodies appearing to the Commission to be representative of persons and categories of persons likely to be affected and (c) the Commission Advisory Committee. As required in the act a notice was published in daily newspapers on 25-03-2000 inviting objections from general public. Copies of the draft regulations were sent to consumer bodies and organisations like CORE, ASCI, TERI, Confederation of Andhra Pradesh Consumers Forum, People's Monitoring group on Electricity regulation and Confederation of Consumers Forum, Visakhapatnam. A meeting was convened with 9 Rescos on 27-03-2000 and a meeting with APTransco and the Commission Advisory Committee was held on 04-04-2000. The regulations were finalised after considering the

comments received from all concerned and after consultation with CAC and licensees published the Regulations 6 & 7 dt: 19-08-2000.

In addition to above the Commission was in the process of finalising the following documents.

- (i) Licensee's complaint handling procedure
- (ii) Licensee's code of practice on payment of bills
- (iii) APERC's complaint handling procedure

Commission Advisory Committee

On all matters relating to consumers interest, the Commission had to consult with the Commission Advisory Committee constituted as per Section 32 of the APER Act, 1998. During the year 2000-2001 the Commission held 6 meetings of the CAC and discussed issues relating to consumer interests on 04-04-2000, 20-05-2000, 27-07-2000, 28-10-2000, 25-01-2001 and 12-03-2001

CHAPTER - VI

ADMINISTRATION

A. Organisation

The Commission was supported by staff of 28 officers appointed by the Commission, comprising electrical engineers, economists, financial analysts, lawyers, legal experts, administrators and information technology specialists. The organisation chart of the Commission is at **(Annexure - H)**.

The Commission was organised into five divisions namely Secretariat, Engineering, Tariff, Law and Administration.

The details of the members of the Commission and the officers of the Commission as on 31-03-2001 are given at **(Annexure - I)**.

B. Training

The Commission's officers were regularly sent to the India Energy Training Program of Administrative Staff College of India (ASCI), Hyderabad in order to keep themselves in tune with the recent developments in the power sector. They were also nominated to national/international seminars/workshops on Energy related topics **(Annexure - J)**.

C. COMPUTERISATION

I. EXISTING SYSTEMS

In addition to 10 Nos Pentium III systems and peripherals available in 1999-2000 during the year 2000 -2001 the APERC procured 12 Nos. Pentium III computers and accessories for office automation.

(a) APPLICATIONS

On these stand alone systems small packages for monitoring CPP applications (used by Engg. wing) and monitoring cases pending hearing (used by Law wing) were developed.

Packages for Paybills & internal accounting were also developed. A Package was being implemented for recording ACCESS Database details of visitors to the Office of the Commission. This Package was being upgraded by including on-line printing provision for printing visitors gate pass.

(b) INTERNET

Efforts were afoot to provide internet facility for senior officers through a 64 kbps leased line.

(c) WEBSITE

A Website was developed and was operational. The URL is www.ercap.org.

D. Finance & Accounts

In accordance with the provisions of Section 8 (3) of the Reform Act, 1998, the salaries and allowances payable to the members of the Commission and the administrative expenses should be charged to the consolidated fund of the State. According to the procedure laid down in the Act, the State Govt. was required to provide the funds for a financial year on the basis of statement of estimated expenditure furnished by the Commission to the Govt.

E. Proceedings before the Commission

53 cases were filed before the Commission during the year 2000-2001 of which 42 were disposed and 11 cases were pending by the end of the year. In most of the cases APTransco was the opposite and /or affected Party. The Law Division examined and scrutinised petitions / applications and advised the other Divisions of the Commission in all legal matters concerned for initiation and proper conduct of the proceedings. The major cases heard by the Commission included issuing licences to Discoms for Distribution and Retail Supply.

F. Writ petitions and appeals

About 30 CMAs & writ petitions were filed in the Hon'ble High Court of Andhra Pradesh against the orders/decisions of the Commission in the year 2000-2001.

G. International Cooperation

The Andhra Pradesh Electricity Regulatory Commission entered into an Energy Partnership Programme (EPP) with Public Utilities Commission of Pennsylvania being implemented by the United States Energy Association (USEA) in cooperation with & funding from the US Agency for International Development (USAID), office of Energy, Environment and Technology. This partnership aimed at mutual transfer of experience and information between the two partners in all areas of regulatory activity which would be achieved through participation in seminars, visits and exchanges. The focus areas of long-term were consumer interaction, tariffs and decision-making processes.

In October 2000, as part of this program, a delegation led by Mr. Aaron Wilson, Commissioner, Public Utilities Commission, Pennsylvania visited APERC. The visit focussed on decision making and operations as well as utility restructuring.

ANNEXURE-A**List of License issued U/S 15 of APER ACT 1998, during 2000-2001****1. Licence to RESCOs.**

Licences issued to RESCOs in year 1999-2000 were renewed vide Licence No.3/2000 to 11/2000 from 01-02-2001 to 31-03-2002 by order dated 31-01-2001 in O.P. Nos.21 to 29/2000.

O.P. No.	Name	Licence Order No.
21/1999	M/s. Anakapalli RESCO's	3/2000
22/1999	M/s. Chipurupalli RESCO's	4/2000
23/1999	M/s. Sircilla RESCO's	5/2000
24/1999	M/s. Kuppam RESCO's	6/2000
25/1999	M/s. Sanjay RESCO's	7/2000
26/1999	M/s. Rayachoti RESCO's	8/2000
27/1999	M/s. Atmakur RESCO's	9/2000
28/1999	M/s. Kadri East RESCO's	10/2000
29/1999	M/s. Kadri West RESCO's	11/2000

2. Distribution Supply Licence to Discom's

Distribution & Retail Licences were issued to 4 Distribution Companies vide order in O.P. No. 646, 645, 644 and 643/2000 dated 29-12-2000 effective from 01-04-2001 for a period of 30 years. Following are details of Licences granted

EPDCL	-	Licence No. 12/2000 in O.P. No. 646/2000
SPDCL	-	Licence No. 15/2000 in O.P. No. 645/2000
CPDCL	-	Licence No. 13/2000 in O.P. No. 643/2000
NPDCL	-	Licence No. 14/2000 in O.P. No. 644/2000

* Remarks : Licence No. 02/2000 for Distribution Retail Supply Licence issued to APTRANSCO in OP.No.04/1999 dated 31-01-2000 for 30 years was cancelled as D & RS Licences were issued to individual DISCOMs as above.

ANNEXURE-B**List of Exemptions granted during year 2000-2001**

O.P. No.	Name of the Applicant	Period of Exemption	Date of order
203 of 2000	M/s. I.L. & F.S. Ltd.	01-05-2000 to 17-11-2000	15-05-2000
204 of 2000	M/s. Nagarjuna Constructions Ltd.	01-05-2000 to 17-11-2000	15-05-2000
213 of 2000	M/s. Sudalagunta Sugars Ltd.	01-04-2000 to 17-11-2000	17-04-2000
214 of 2000	M/s. HCL Agro Power Ltd.	01-04-2000 to 17-11-2000	15-05-2000
658 of 2000	M/s. Shivani Power Spinners Ltd.	01-08-2000 to 17-11-2000	24-08-2000
659 of 2000	M/s. Akshay Profiles (P) Ltd.	01-08-2000 to 17-11-2000	24-08-2000
660 of 2000	M/s. Wescare (India) Ltd.	01-08-2000 to 17-11-2000	19-08-2000
661 of 2000	M/s. PMC Power (P) Ltd	01-09-2000 to 17-11-2000	02-09-2000
662 of 2000	M/s. NATL Ltd.	01-08-2000 to 17-11-2000	02-09-2000
664 of 2000	M/s. Thirumala Hydel Power Projects (P) Ltd.	01-08-2000 to 17-11-2000	23-08-2000
670 of 2000	M/s. Bhavani Hydro Power Projects Ltd.	01-10-2000 to 17-11-2000	16-09-2000
671 of 2000	M/s. Mani Hamsa Power Projects Ltd.	15-09-2000 to 17-11-2000	22-09-2000
918 of 2000	M/s. NCL Energy Ltd.	26-09-2000 to 17-11-2000	16-10-2000
946 of 2000	M/s. Sudha Agro Oil & Chemical Indus. Ltd.	Date of COD to Billing Month of Dec'2000	25-11-2000
1070 of 2000	M/s. Jyothi Bio Energy Ltd.	Date of COD to Billing Month of Dec'2000	14-12-2000
1232 of 2000	M/s. Varalakshmi Sugars	22-12-2000 to 24-02-2001	30-01-2001
03 of 2001	M/s. Sree Rayalaseema Green Energy Ltd.	Date of COD to 24-02-2001	30-01-2001
657/2000	M/s. Ind-Bharath Energy Ltd.	01-08-2000 to 17-11-2000	07-07-2000
6/1999	M/s. A.P. Gas Power Corp. Ltd.	01-06-2000 to 31-05-2002	07-07-2000

**RURAL ELECTRIC CO-OPERATIVE SOCIETIES IN A.P.
ANNEXURE - C**

Name of RESCO	Supply Area/Mandals
Chipurupalli RESCOs Srikakulam District	<u>Area Bounded by</u> North: Bhadangi Taluk, Rajan Taluk East : Ponderu Taluk South: Ranasthalam Taluk West : Gajapathinagaram Taluk
Anakapalli RESCOs Visakhapatnam District	<u>Area Bounded by</u> North : Srungavarapukota, chodavaram Taluk East : Visakhapatnam Taluk South : Yellamanchilli Taluk& Bay of Bengal West : Narsipatnam, Chodavaram Taluk
Siricilla RESCOs Karimnagar District	<u>Area bounded by</u> North : Karimnagar, Jagtial, Met Palli Taluka East : Karimnagar Taluk South : Siddapet Taluk of Medak Dist., West : Kamareddy Taluk of Nizamabad
Sanjay RESCOs Medak District	<u>Area bounded by</u> North : Yellareddy to Nizamabad Dist. East : Medak to Narasapur in Medak District. South : Sangareddy Taluk, Medak Dist. West : Part of Zahirabad & Narayanakhed taluk in Medak Dist.
Kuppam RESCOs Chittoor District	<u>Area bounded by</u> North : Border of Karnataka State & V.Kota Mandal Chittoor Dist., East : a) V.Kota Mandal of Chittoor Dist.,commencing the area of Palamaner Assembly constituency. b) Border of Tamil Nadu State. South : Border of Tamil Nadu State West : Border of Karnataka State
Atamakur RESCOs Nellore District	North : Udayagiri, Kavali Taluk East : Kavali, Buchi Taluks South : Pennar River West : Udayagiri Taluk and Cuddapa Dist.
Kadiri East Ananthapur District.	<u>Area Specified</u> North : Pulivendula Taluk, Cuddapah District. East : Rayachoti Taluk, Cuddapah Dist., South : Madanpalli taluk, Chittoor Dist. West : Kadiri West Block.
Kadiri West Anantapur District.	<u>Area specifi</u> North : Dharmavaram Taluk, Anantapur Dist., East : Kadiri East Block South : Karnataka State West : Penukonda Taluk, Anantapur Dist.
Rayachoti RESCOs Cuddapah district.	Whole of Rayachoti Taluk of Cuddapah dist.,

ANNEXURE-D

A variety of issues concerning constitutional, legal and procedural aspects were raised in the hearings and the same were dealt by the Commission in its Tariff order for 2000-01. Certain consumer groups filed Writ petitions challenging the order of the Commission. The Hon'ble High Court of A.P upheld the said order and dismissed all the Writ Petitions. Many important issues came up for consideration before the Hon'ble High Court of A.P apart from the validity of the enactment of State Legislature or Parliament.

While dismissing the Writ Petitions, the Division Bench held that:

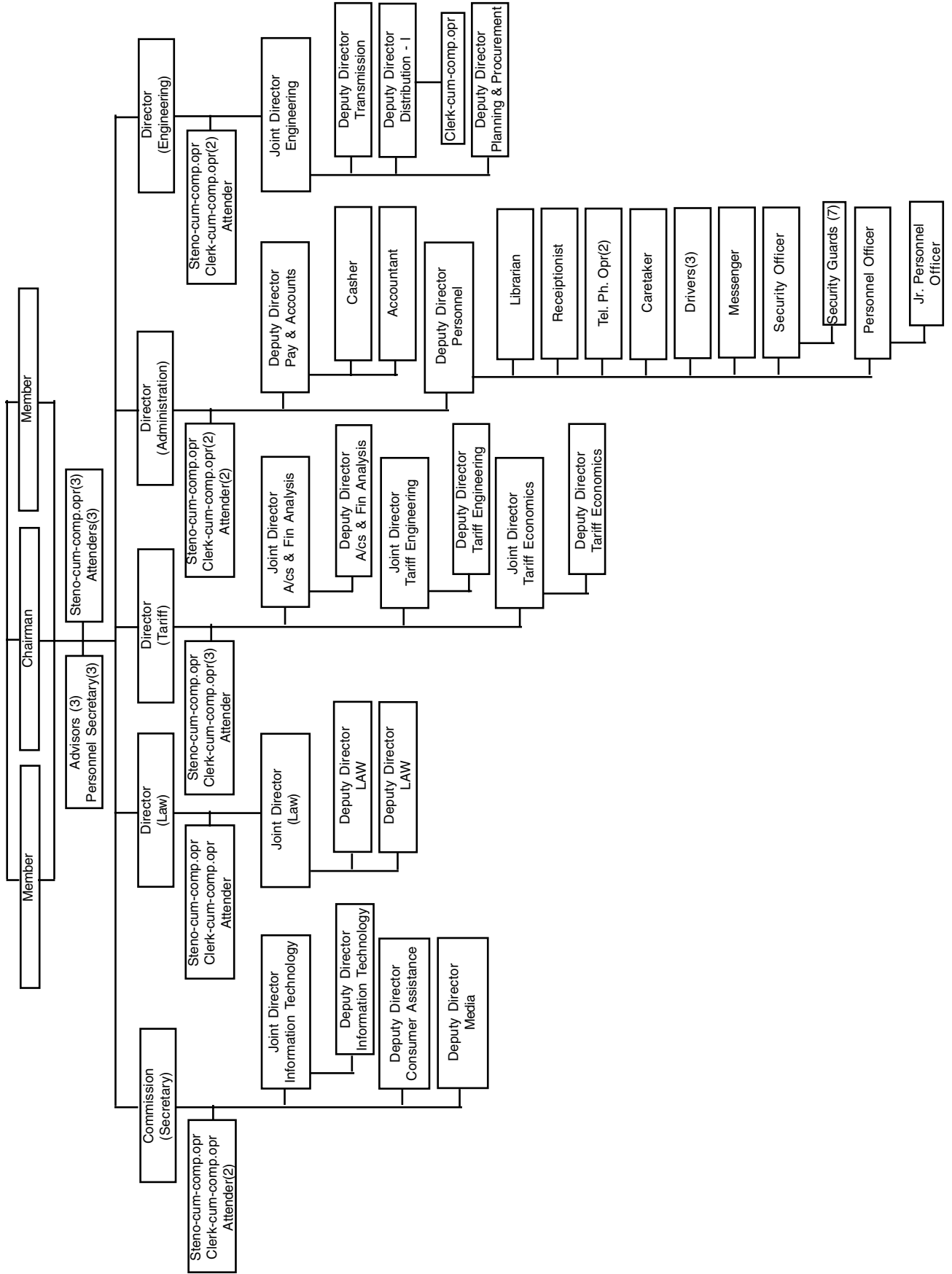
- (a) In exercise of judicial review function under Article 226 of the Constitution, it is not open to the Court to find fault with the conclusion reached by the Commission on the ground that a more practical view is possible or a different approach is preferable.
- (b) Section 26(2) of the Reform Act does not mandate the Commission to prescribe Terms & Conditions as a condition precedent for determination of licensees Revenue & Tariffs. It is only an enabling provision for the Commission to prescribe the Terms & Conditions if it so desires. Otherwise the Commission is entitled to proceed with the determination of tariff, in terms of the parameters prescribed under the provision of subsection (2) of Section.26.
- (c) Deployment of staff to assist statutory Committees holding public enquiries for the purpose of rate fixation, is not un-common. No prejudice what so ever was caused on account of staff participation. The Commission acted in a fair manner. There is no iota of substance in any of the complaints made by the petitioners on the aspect of violation of principles of natural justice.
- (d) It can not be said the APTRANSCO shed its character as licensee under the act and become a non-entity after 1-4-2000 and lost locus standi to move application for Tariff revision. Contextually, the expression "Licence" occurring in Clause 2(g) of the transfer scheme should only mean, transferable licence, which the electricity supply licensee is having under various statutory and non-statutory provisions for the purpose of running its undertaking.
- (e) Classification of consumer categories based on the nature and purpose of supply is not arbitrary or violative of mandate of subsection (7) of Sec.26
- (f) The annualisation of tariff is only a methodology of tariff fixation for the remaining part of the year having due regard to the expected annual revenue requirements and the reasonable return. It is an exercise to overcome the deficit after the tariff proposal was filed. Even if such methodology of filling up the revenue deficit in the financial year is erroneous or some other method is preferable, on that ground, the Court cannot strike down the tariff fixation exercise. An overall view has to be taken and unless the Court is satisfied that the tariff fixation is demonstrably unreasonable, the relief under Article 226 cannot be granted.

ANNEXURE-E**Power Purchase Price of Rural Electrical Supply Co-operative Societies (RESOs) from APTRANSCO**

Name of RESCO	Power Purchase Price prior to Reforms upto 1999-2000 Ps/Unit	Power Purchase Price fixed by APERC 2000 - 2001 Ps./Unit
Anakapalli	8.5	81
Cheepuru Palli	9.0	60
Siricilla	5.0	21
Kuppam	2.0	24
Gogipeta(Sanjay)	4.5	15
Kadiri(East)	2.0	25
Kadiri(West)	2.0	28
Atamakur	2.0	30
Rayachoty	9.0	32

ANNEXURE-H

Organisational chart of Andhra Pradesh Electricity regulatory Commission



ANNEXURE-I**Details of Chairman, Member and Officers of the Commission (as on 31-3-2001)**

S.No.	Name	Designation
1	Sri. G.P. Rao	Chairman
2	Sri. D. Lakshminarayana	Member
3	Sri. A.V.Subba Rao	Member
4	Sri. T.B.Narasimha Rao	Commission Secretary
5	Sri. V. Rama Rao	Dir/Engg.
6	Sri. V. Veera Raghavan	Dir/Law
7	Sri. S. Venkata Narayana	Dir/Admn.
8	Dr. Geetha Gouri	Dir/Tariff
9	Sri. M. Hanumantha Sastry	JD/IT
10	Sri. G. Veera Mahender	JD/T-Engg.
11	Sri. R.V.J. Srinivasan	JD/Tariff
12	Sri. N. Balasubramanyam	DD/Personnel
13	Sri. B. Sethuram	DD/Engg.
14	Sri. T. Ranga Rao	DD/CA
15	Dr. P. Rama Rao	DD/TEC
16	Sri. A. Srinivas	DD/LP
17	Sri. N. Nagaraj	DD/Law
18	Smt. P. Sarada	DD/IT
19	Sri. P. Solomon Herme	DD/PPP
20	Sri. M.N. Ravi Shankar	DD/TAF
21	Sri. K. Sreedhar Reddy	DD/Distribution
22	Sri. P. Ashok Kumar	DD/Transmission
23	Sri. G. Venkateswarlu	DD/P&A
24	Sri. V.N.V. Ramana Rao	DD/T-Engg
25	Sri. P. Rama Krishna Sastry	DD/Media
26	Sri. Murahari	PO

ANNEXURE-J**DETAILS OF THE TRAINING PROGRAMMES / SEMINARS UNDERGONE BY THE OFFICERS OF APERC**

S.No.	Name	Designation	Programme / Seminar undergone
1	Sri. T.B. Narasimha Rao	Secretary	Attended Training Programme on "Infrastructure Regulation and Reforms" at Dambulla, Sri Lanka from 4-12-2000 to 15-12-2000
2	Sri. V. Rama Rao	Director(Engg.)	Attended Business Meet with Financial Institutions and promoters of Biomass Power / Bagasse based on Co-generation Power Projects
3	Sri. S. Venkata Narayana	Director(Admn.)	Attended Training programme of steering committee meeting at Kathmandu from 8th to 9th May, 2000
4	Sri. V. Veera Raghavan	Director (Law)	Attended Training at Washington from 22nd to 28th April, 2000
5	Dr. Geetha Gowri	Director (Tariff)	Attended Training Programme on "Tariff Structure and Analysis" held from 29th January to 2nd February 2001 at ASCI, Hyderabad.
6	Sri. G. Veera Mahender	JD(TE)	Attended Training Programme on "Infrastructure Regulation and Reforms" at Dambulla, Sri Lanka from 4-12-2000 to 15-12-2000
7	Sri. M. Hanumantha Sastry	JD/IT	Attended Training Programme on "High Level Policy Seminar of Power Sector Reforms and Privatization at Bangalore from 15-5-2000 to 17-5-2000 Attended Workshop on operation of State Electricity Regulatory Commission held on 19-7-2000 at New Delhi
8	Sri. R.V.J. Srinivasan	JD/Tariff	Attended workshop on Organisation and Management Demand side Management (DSM) cell held from 16-1-2001 to 17-1-2001 at Bangalore.
9	Sri. N. Balasubramanyam	DD/Personnel	Attended training programme on Financial Energy Efficiency Projects from 22-5-2000 to 26-5-2000 at ASCI, Hyderabad.
10	Dr. P. Rama Rao	DD/TEC	Attended Training Programme on "Regulatory Commission Functions" during 30-10-2000 to 17-11-2000 at ASCI, Hyderabad.
11	Sri. A. Srinivas	DD/LP	Attended Training Programme on "Regulatory Commission Functions" during 30-10-2000 to 17-11-2000 at ASCI, Hyderabad. Attended Training Programme on Transition issues in Moving from state owned to private distribution company at Mumbai from 18-9-2000 to 22-9-2000 organised by BSES Management Institute.

S.No.	Name	Designation	Programme / Seminar undergone
12	Sri. N. Nagaraj	DD/Law	Attended Training Programme on "Regulatory Commission Functions" during 15-5-2000 to 19-5-2000 at ASCI, Hyderabad.
13	Smt. P. Sarada	DD/IT	Attended Training Programme on "Regulatory Commission Functions" during 15-5-2000 to 19-5-2000 at ASCI, Hyderabad. Attended Training Programme on Transition issues in Moving from state owned to private distribution company at Mumbai from 18-9-2000 to 22-9-2000 organised by BSES Management Institute.
14	Sri. P. Solomon Herme	DD/PPP	Attended Seminar-cum-Workshop on Restructuring and Regulation for distribution Management from 14-9-2000 to 15-9-2000 at Bangalore.
15	Sri. M.N. Ravi Shankar	DD/TAF	Attended Training Programme on "Infrastructure Regulation and Reforms" at Dambulla, Sri Lanka from 4-12-2000 to 15-12-2000 Attended Seminar-cum-Workshop on Restructuring and Regulation for distribution Management from 14-9-2000 to 15-9-2000 at Bangalore. Attended Training Programme on "Tariff Structure and Analysis" held from 29th January to 2nd February 2001 at ASCI, Hyderabad.
16	Sri. K. Sreedhar Reddy	DD/Distribution	Attended Training Programme on Transition issues in Moving from state owned to private distribution company at Mumbai from 18-9-2000 to 22-9-2000 organised by BSES Management Institute. Attended Training Programme on "Computer Aided Analysis & Optimisation for estimation & Reduction of Power loses in Distribution Networks" from 29-1-2001 to 2-2-2001 organised by Global Energy Consultant, Hyderabad.
17	Sri. P. Ashok Kumar	DD/Transmission	Attended Business Meet with Financial Institutions and promoters of Biomass Power / Bagasse based on Co-generation Power Projects
18	Sri. V.N.V. Ramana Rao	DD/T-Engg	Three weeks programme on "Regulatory Commission Functions" at ASCI, Hyderabad.
19	Sri. P. Rama Krishna Sastry	DD/Media	Attended Training Programme on "Consumer Advocacy" at Mumbai from 6-11-2000 to 10-11-2000 organised by BSES Management Institute, Mumbai.