

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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PUBLIC NOTICE

O.P. No. 25 of 2016

TAKE NOTICE that Southern Power Distribution Company of A.P. Ltd (APSPDCL) filed a 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. The said petition is taken on the file of the Commission under Section 86 (1) (k) of the Electricity Act, 2003 and the same, together with annexures, is placed on the website of the Commission for reference of all the stakeholders.

2. The Commission invites views / objections / suggestions of any interested person / stakeholder in respect of the above mentioned petition filed by APSPDCL. Response or objections may be sent to the Commission Secretary/APERC on or before 5.00 PM on 03-12-2016 at the above mentioned address or through email commn-secy@aperc.gov.in.

3. TAKE FURTHER NOTICE that the above mentioned petition will be taken up for public hearing on **03-12-2016 at 11.00 AM** in the Court Hall of the Commission and any interested person / organization desirous of being heard in person, may appear before the Commission at Hyderabad on the said date of hearing.

Place: Hyderabad
Date: 09-11-2016


COMMISSION SECRETARY_{lc}

BEFORE THE
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF ANDHRA PRADESH

FILE NO:

O.P. No. 25/2016
Petition No. —/2016

IN THE MATTER OF:

Seeking approval of the Hon'ble Commission for implementation of Domestic Efficient Fans Programme (DEFP) in the seven districts (viz. Guntur, Prakasam, S.P.S.R. Nellore, Chittoor, Kadapa, Anantapur & Kurnool) of Southern Power Distribution Company of Andhra Pradesh Limited in the state of Andhra Pradesh under Demand Side Management Programme.

AND

IN THE MATTER OF:

Southern Power Distribution Company of A.P Limited

- Petitioner

Affidavit

I, N.Narasimhulu, Son of Sri N.Guravaiah, aged about 45 years, residing at Tirupati, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the Chief General Manager, Operation of Southern Power Distribution Company of AP duly authorised by APSPDCL to make this affidavit on its behalf and the deponent is acquainted with the facts deposed below,
2. I, N.Narasimhulu, the deponent named above do hereby verify that the contents of the affidavit and those of the accompanying petition are true to my personal knowledge and verify that no part of this affidavit is false and nothing material has been concealed.


Deponent
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.



VERIFICATION:

I, the above named Deponent solemnly affirm at Tirupati on this 5th day of November, 2016 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

Solemnly affirmed and signed before me.


**COMPANY SECRETARY
APSPDCL :: TIRUPATI.**


**DEPONENT
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.**

BEFORE THE

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF ANDHRA PRADESH

FILE NO:

O.P.
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IN THE MATTER OF:

Seeking approval of the Hon'ble Commission for implementation of Domestic Efficient Fans Programme (DEFP) in the seven districts (viz. Guntur, Prakasam, S.P.S.R. Nellore, Chittoor, Kadapa, Anantapur & Kurnool) of Southern Power Distribution Company of Andhra Pradesh Limited in the state of Andhra Pradesh under Demand Side Management Programme.

AND

IN THE MATTER OF:

Southern Power Distribution Company of A.P Limited

-Petitioner

MOST RESPECTFULLY SHOWETH THE ADDITIONAL SUBMISSION:

1. APSPDCL humbly submits a proposal to implement the Domestic Efficient Fan Programme (DEFP) in its jurisdiction through an Energy Service Company (ESCO) M/s. Energy Efficiency Services Limited, New Delhi.
2. APSPDCL submits that, on the request of the licensee, the Honourable Commission have given approval for implementation of Domestic Efficient Fan Programme (DEFP) in Krishna district. In this connection, it is to submit that, the response of the consumers are extremely encouraging and the entire targeted one lakh ceiling fans were already distributed in Krishna district. The encouragement of the consumers in implementation of energy conservation methods is highly motivating and the licensee now proposing to distribute the similar energy efficient ceiling fans in all other seven districts in its jurisdiction.
3. APSPDCL submits that M/s. Energy Efficiency Services Limited, New Delhi, have submitted Programme for implementation of DEFP for Fans in Domestic sector, commercial sector and Institutional (Industrial) sector in the seven districts (viz. Guntur, Prakasam, S.P.S.R. Nellore, Chittoor, Kadapa, Anantapur & Kurnool) of APSPDCL, Andhra Pradesh. As per the proposal, the capital investment required for implementation of the program will be made by the ESCO i.e. M/s. Energy Efficiency Services Limited, New Delhi and the DISCOM shall make payment to Energy Efficiency Services Limited by recovering the cost from consumers in 24 monthly installments.

Particulars	Unit	Total
Number of Fans offered under this Scheme	Number	700000
Wattage of Zero Star rated fan	Watt	75
Wattage of Five Star rated Efficient Fan	Watt	50
Power saving	Watt	25
Hours of Usage	Hrs/Day	14
Operating days per year	Days / Year	300
Energy saved per Fans per Day	KWH	0.35
Energy saved per Fans per year	KWH	105.00
Energy Demand Saved per year	Million KWh	10.50
Energy Saved under the Scheme per Annum	Million KWh	73.50
Total Load Reduction	MW	17.5

The deemed annual saving of energy under DEFP for the seven districts with the distribution of seven lakh energy efficient ceiling fans is around 73.50 Million units.

5. Cost Benefit Analysis

DISCOM humbly submits that the implementation of DEFP in the area of APSPDCL in Andhra Pradesh would result into energy savings of 73.50 Million units per annum. The financial payouts / receivable involved in implementation of this scheme, is given in the table below.

S.No.	Description	Amount (In Crore Rupees.)
1	Monthly Repayment to EESL for 24 months – as per Annexure 'A'	Rs 3.64
2	Total investment to be made by M/s. Energy Efficiency Services Limited	Rs. 60.94
3	Total Payout to be made to M/s. Energy Efficiency Services Limited during the project period of 24 months including O&M charges, including Service Tax by recovering cost from the consumers.	Rs. 87.50
4	Annual Reduction in Power Procurement Cost for DISCOM (Assumed @Rs.4.5/unit)	Rs. 33.07
5	Net Payout from the ARR of the DISCOM	NIL

Note: This is assuming that all BEE 5 Star ceiling fans will be availed on OBF. The actual payments may change based on the actual ratio of OBF and Payment option in availing BEE 5 star rated fans.

1. Procurement of BEE five star rated fans

EESL will follow an open competitive bidding process to procure the fans. The process will allow competition to ensure price discovery. The procurement will be done using the technical

specifications of BEE 5 star rated ceiling fans and will ensure that high quality fans with 2.5 year technical warranty are procured at least cost. Any benefit of cost reduction will be passed on to the Consumers.

2. Distribution of BEE 5 Star Fans

The fans will be distributed from designated counters set up in various locations in the area of APSPDCL, Andhra Pradesh. These locations will be mapped in consultation with the state agencies and could include billing centres of DISCOMS, SEWA Kendras, prominent locations like schools, etc. EESL will engage distribution agencies that will help set up the distribution counters and ensure smooth distribution of Fans. The key elements of the distribution will be:

- i. Mapping and finalization of distribution counters for ensuring smooth distribution.
- ii. Arranging storage facilities for fans, including temporary storage at distribution centres.
- iii. Finalisation of distribution plan.
- iv. Compilation of distribution data and preparation of MIS reports of distribution.

3. Awareness and Outreach

A state-wide multimedia campaign will be designed and implemented jointly between M/s Energy Efficiency Services Limited and Andhra Pradesh State Energy Conservation Mission implemented and equally funded to support the Programme.

The campaign will focus on:

- i. Providing information about the DEFP scheme
- ii. Dissemination of information about the comparative advantage of Energy Efficient Fans.
- iii. Providing information about the monetary benefit to the consumers in terms of reduction of their electricity bills
- iv. Information regarding the place, date and time of distribution of Fans.
- v. Any other information that is directly or indirectly related to the implementation of the scheme

4. Payments to EESL

4.1 APSPDCL shall make payment to Energy Efficiency Services Limited to recover the investment made as per the schedule in Annexure -A. The payment will be based on the actual numbers of BEE 5 star ceiling fans distributed by EESL.

4.2 APSPDCL shall include the amount payable by consumers choosing the OBF option in their bills and collect the same. Such payment due to EESL by APSPDCL shall be linked with the recovery of project cost from Consumers.

4.3 List of Consumers opted for On-bill financing and upfront option will be submitted to APSPDCL by EESL on fortnightly basis

5 Technical Aspects

- 5.1 M/s. Energy Efficiency Services Limited will ensure that the BEE 5 star rated Ceiling fans used under this project complies the BEE 5 star ceiling fan Standards.
- 5.2 The sample testing procedure may also be carried out in any laboratory accredited by NABL jointly by M/s. Energy Efficiency Services Limited and APSPDCL as part of this Programme, in order to ensure compliance to the standards of BEE 5 star ceiling fans.
- 5.3 EESL agrees to extend guarantee for replacement of the faulty fans due to technical defects at free of cost for 2.5 years commencing after implementation of the project. A technical defect excludes physical damage, etc.

6 Other Benefits

The Other accrued benefits upon implementation of this DEFP are as given below.

6.1 House Hold Sector

- Helps to reduce their energy consumption and its cost.

6.2 Distribution Utility

- Aids the department in reducing the demand & Supply gap.
- Minimize load shedding during peak hours.
- To meet demands of other cross subsidized consumers like commercial and industrial establishment.

6.3 Cross Subsidized Category

- The tariff rates for the cross subsidized categories will progressively reduced due to reduction in cross subsidized costs.

6.4 Society

- Energy security.
- Mitigation of climate changes and protection of environment.

7. Project Financial at a Glance

The Programme cost (inclusive of cost of the BEE 5 star fan, Distribution Cost, Awareness Cost, Annual Maintenance Cost, Debt Interest Cost, Return on Equity, Taxes or any other cost on account of implementation of this scheme) to be recovered from the consumer under Upfront and On-Bill Financing Option shall be determined as per formulae given below:

Sl No.	Particulars	Components of Programme Cost per Fan	Price per fan	
			EMI	Upfront
1	Cost of the Fan including Taxes	As determined through competitive bidding.	796.95	796.95
2	Entry Tax	0% of the Cost of the LED Bulb as determined under Sl No. 1		
3	Cost of the Distribution	At actuals	51.75	51.75
4	Media, Awareness and Software of fan	At actuals	22.00	22.00
5	Annual maintenance charges	1.5% of the Cost of the fan per annum for 2.5 years	32.65	32.65
6	Debt Interest Cost	10% per annum	125.69	17.41
7	Return on Equity (i.e. 140% plus Tax Rate @ 34.61%)	21.41% per annum	53.21	37.28
8	Programme Cost per fan (Excluding Sales Tax)	Sum of Sl. No. 1 to 6	1,082.25	958.05
9	Sales Tax Liability 14.5%	14.5 % on Sum of Sl. No. 1 to 6	156.93	138.92
10	Programme Cost per fan (Including Sales Tax)	Sum of Sl. No. 7 & 8	1,239.18	1,096.96
	Round off		1,250.00	1,100.00

Note 1: Taxes such as Service tax, sales tax or other taxes as applicable will be charged on actual basis.

Note 2: “ Based on the existing statutory taxation norms we have arrived the fan cost in Upfront mode and EMI option, if there is any change in the Taxation norms in the distribution period, same will be communicated to APERC and DISCOM for necessary approval and action - revised price of the fan, EMI deducted per fan “.

PRAYER

Thus, the APSPDCL humbly prays before the commission to consider this petition and pass necessary orders on the following:

1. Allow DISCOM to implement the Domestic Efficient Fans Programme (DEFP) in the seven districts (viz. Guntur, Prakasam, S.P.S.R. Nellore, Chittoor, Kadapa, Anantapur & Kurnool) as part of DSM measures, with the financial support of M/s. Energy Efficiency Services Limited, New Delhi.
2. Allow APSPDCL to recover the cost in 24 monthly installments through the electricity bill of the participating consumers.
3. In order to recover cost from consumers through their electricity bill, allow APSPDCL to make necessary modifications/additions in electricity bill of consumers by adding one line item.
4. Authorize APSPDCL to treat default in payment of installments by consumers as "default of payment" under sec 56 of the Electricity Act, 2003 read with Andhra Pradesh Electricity Supply Code (i.e. disconnection of supply in default of payment) or as amended from time to time and recover such charges by suit, cut-off the supply of electricity.
5. Allow the DISCOM to recover the annual payout to be made to M/s. Energy Efficiency Services Limited through the consumer On-Bill-Financing.
6. Allow APSPDCL
 - To make monthly payout to M/s. Energy Efficiency Services Limited as per clause no-9 of the petition.
 - To provide irrevocable and revolving Letter of Credit (LC) in favor EESL
7. Pass necessary orders as deem fit by the Hon'ble Commission.

SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED

(APPLICANT)

Through


Chief General Manager / Operation
CHIEF GENERAL MANAGER
OPERATION
APSPDCL :: TIRUPATI.

Place: Tirupathi

Date: 05-11-2016

Annexure A: Monthly Repayment Schedule to EESL

Month	Amount Recovered from Consumers (Rs)	Payouts out of APSPDCL's DSM Fund or Govt. Subsidy to APSPDCL (Rs)	Total Payment to EESL (Rs)
1	3,64,58,333	0	3,64,58,333
2	3,64,58,333	0	3,64,58,333
3	3,64,58,333	0	3,64,58,333
4	3,64,58,333	0	3,64,58,333
5	3,64,58,333	0	3,64,58,333
6	3,64,58,333	0	3,64,58,333
7	3,64,58,333	0	3,64,58,333
8	3,64,58,333	0	3,64,58,333
9	3,64,58,333	0	3,64,58,333
10	3,64,58,333	0	3,64,58,333
11	3,64,58,333	0	3,64,58,333
12	3,64,58,333	0	3,64,58,333
13	3,64,58,333	0	3,64,58,333
14	3,64,58,333	0	3,64,58,333
15	3,64,58,333	0	3,64,58,333
16	3,64,58,333	0	3,64,58,333
17	3,64,58,333	0	3,64,58,333
18	3,64,58,333	0	3,64,58,333
19	3,64,58,333	0	3,64,58,333
20	3,64,58,333	0	3,64,58,333
21	3,64,58,333	0	3,64,58,333
22	3,64,58,333	0	3,64,58,333
23	3,64,58,333	0	3,64,58,333
24	3,64,58,333	0	3,64,58,333
Total	87,49,99,992		87,49,99,992

Energy Service Agreement

THIS AGREEMENT is entered into on this the _____ day of _____ 2016.

BETWEEN

M/s Energy Efficiency Services Limited, a company duly incorporated under the provisions of Companies Act, 1956 and having its Corporate Office at 4th Floor, IWAI Building, A-13, Sector-1, Noida, Uttar Pradesh - 201301 and Registered Office: 4th Floor, Sewa Bhawan, R K Puram, New Delhi -110066 represented herein by its authorized signatory _____ (hereinafter referred to as "EESL" which expression shall, unless the context otherwise requires, include its administrators, successors and permitted assigns) of ONE PART;

AND

M/s Southern Power Distribution Company of Andhra Pradesh Limited, a company duly incorporated under the provisions of Companies Act, 1956 and having its registered office at _____ D.No:19-13-65/A, Srinivasapuram, Tiruchanoor Road, Tirupathi, Andhra Pradesh- 517503 represented herein by its authorized signatory _____ (Hereinafter referred to as the "DISCOM", which expression shall, unless the context otherwise requires, include its administrators, successors and permitted assigns) of the SECOND PART,

WHEREAS,

- a. EESL has submitted a Project Proposal to DISCOM hereinafter referred to as the "DEFP" and which has been accepted pursuant to the DSM Plan by DISCOM on _____, and further approved by the Andhra Pradesh Electricity Regulatory Commission ("APERC") by Order dated _____. (Petition No. _____ dated _____)
- b. EESL is engaged in the business of providing BEE five star rated fans resulting into energy savings and acting as an implementing agency for this program.
- c. DISCOM and EESL agreed to enter into this Agreement for implementation of the Project (as defined later), subject to and on the terms and conditions set forth hereinafter.

NOW THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE-1 SCOPE OF THE PROGRAM

1.1 Project

This Project shall be known as the "Domestic Efficient Fans Programme (DEFP)" ("Project").

1.2 Scope of Work

The scope of the Project is set out below:

- a) EESL will undertake distribution of BEE five star rated Fans: up to maximum 2 fans to Domestic category consumers, up to maximum 10 fans to Commercial category consumers and up to maximum 50 fans to Institutional (Industrial) category consumers of APSPDCL at a price (inclusive of Cost of fans, Distribution, Insurance, Storage, Awareness, Registration, Annual Maintenance Cost (AMC), Applicable Taxes, etc.) as determined in Clause 1.2(h), to consumers in the operation area of APSPDCL.
- b) Domestic Consumers can buy BEE 5 star rated ceiling fans either on Upfront Payment Option or on On Bill Financing (OBF) option. Commercial consumers and Industrial (Institutional) consumers can buy BEE 5 Star rated ceiling fans only on Upfront Payment option.
- c) Under upfront payment option, Consumer can buy BEE 5 star ceiling fans by paying entire amount upfront. Consumers shall have the option for getting maximum quantity i.e. 2 fans. Consumer shall make upfront payment (One-time payment of Rs 1100 per fan (inclusive of Cost of fans, Distribution, Insurance, Storage, Awareness, Registration, Annual Maintenance Cost (AMC), Applicable Taxes, etc.). Domestic consumer can avail up to 2 fans and Commercial consumer can avail up to 10 fans and Institutional (Industrial) consumers up to 50 fans under Upfront Payment Option
- d) Under On Bill Financing (OBF) option, consumer shall make payment of Rs.1250 per fan (inclusive of Cost of fans, Distribution, Insurance, Storage, Awareness, Registration, Annual Maintenance Cost (AMC), Applicable Taxes, etc.). The total cost will be recovered through monthly electricity bill over 24 installments of INR 52.10 each approximately, any differential amount will be adjusted in the last month EMI. Domestic Consumer can avail up to 2 fans under OBF Option. Only domestic consumers with no arrears in last three consecutive billing cycles will be eligible

for availing OBF Option. Only domestic consumers with no arrears in last three consecutive billing cycles will be eligible for availing OBF option.

- e) EESL will offer 7, 00, 000 fans under this scheme for APSPDCL districts except Krishna and the scheme is open to all grid connected consumers (Domestic, Commercial, Institutional / Industrial) of APSPDCL on first come first serve basis.
- f) No other charges, whatsoever relating to the implementation of this scheme, except those relating to charges specified in clause 1.2 (a) shall be recovered from the consumers.
- g) The programme cost (inclusive of cost of fans, distribution, insurance, storage, awareness, registration, annual maintenance cost (AMC), applicable taxes etc.) to be recovered from the consumer under upfront payment and OBF is as per following schedule given below:

Cost of Fan to be supplied	Rs.1100/- (inclusive of all applicable taxes)- on upfront sale	Rs.1250/- (inclusive of all applicable taxes)- on EMI for 24 months (ie) Rs.52.10 per month
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- h) EESL shall be responsible for overall implementation of the program in the operation areas in all districts of APSPDCL.
- i) EESL shall carry out the distribution of fans either through Door to Door mode or through Counter mode. The counters shall be placed in the distribution area in consultation with the APSPDCL.
- j) EESL shall implement the Project on its own or jointly with any implementation partner or through an implementation partner with EESL acting as a facilitator.
- k) Fans proposed to be distributed will conform to the BEE 5 star ceiling fan standards as per Annexure B.
- l) M/s EESL agrees to extend guarantee for replacement of the faulty fans due to technical defects at free of cost for 2 years commencing after implementation of the project. Technical defects excludes physical damage, etc. There be a toll free helpline number to register the complaints, the replacement will be provided for technical defects within a period of 5 working days from the date of lodging a complaint. EESL has to inform the toll free help line number to the consumers at the time of distribution only.
- m) The distribution of fans will be in a phased manner and warranty shall be valid till the end of 2 Years beginning from the end date of distribution in that particular phase.

- n) EESL shall put in place a Registration process for registration of Domestic, Commercial and Institutional (Industrial) category consumers for the DEFP Program. The eligibility of domestic / commercial / Institutional (Industrial) category consumer is that he/she should be a regular consumer. Registration will allow domestic / commercial / Institutional (Industrial) category consumers to register themselves to avail BEE five star rated fan.

The registration will be administered through either placement of kiosks at DISCOM's Circle Offices/Billing Centers OR through Door-to-Door visits. Registration shall entail filling up of a registration form with unique meter number as mentioned in the electricity bill and number of fans that the consumer would be willing to take. The cost of facilitating the registration will be part of the programme administration cost.

- o) A state-wide multimedia campaign will be designed and implemented jointly between M/s Energy Efficiency Services Limited and Andhra Pradesh State Energy Conservation Mission implemented and equally funded to support the Programme.

ARTICLE 2 CONTRACT PERIOD

- 2.1 This Agreement shall come into force and effect on the date of its execution by both Parties (the "Effective Date") and will be valid either till complete payment of all dues to EESL is made or till the end of warranty period of 2 Years, whichever is later.

ARTICLE 3 PAYMENT TO EESL

- 3.1 EESL will provide a list of consumers in the form of Service Connection (SC)/RR numbers who have availed BEE 5 star ceiling fan and the number of BEE 5 star ceiling fans availed per RR number under the On-Bill Financing (OBF) and under the upfront option on fortnightly basis and invoices will be raised monthly.
- 3.2 APSPDCL shall include the amount payable by consumers choosing the OBF option in their bills and collect the same. APSPDCL shall collect the OBF payments made by consumers and pay the received amount to EESL.
- 3.3 APSPDCL shall ensure that following information is stated on the electricity bill of the consumers who have opted for OBF option-"Amount billed for the BEE 5 star ceiling fans availed under DEFP" and "Amount to be billed for the BEE 5 star ceiling fans availed under DEFP".
- 3.4 Payments due to EESL shall have the first priority while adjusting the payments made by Consumers to APSPDCL. Amount as in clause 3.2 shall be paid to EESL as per the

billing cycle within a period of 30 days from the date of submission of the Invoice to Chief General Manager, Operations, Tirupati. The amount will be deposited by APSPDCL in the Bank Account of EESL accordingly. A payment advice will be provided by the APSPDCL along with each payment indicating SC/RR Number, Billing month and the Amount paid.

3.5 APSPDCL to treat default in payment of installments by consumers as "default of payment" under sec 56 of the Electricity Act, 2003 read with Andhra Pradesh Electricity Supply Code (i.e. disconnection of supply in default of payment) or as amended from time to time and recover such charges by suit, cut-off the supply of electricity.

3.6 APSPDCL has to provide irrevocable and revolving Letter of Credit (LC) in favour of EESL.

ARTICLE 4 PAYMENT SECURITY MECHANISIM

4.1 APSPDCL shall provide Payment Security Mechanism to EESL for an amount equal to estimated average monthly recovery through consumer bills opted on bill financing scheme for obtaining fans in the form of Irrevocable and Revolving Letter of Credit in favour of EESL within thirty days of the date of completion of each phase. The letter of credit shall have a term of twenty four months or till complete payment of all dues to EESL is made, whichever is later.

ARTICLE 5 SETTLEMENT OF DISPUTES

5.1 Dispute Resolution

Any dispute, difference or controversy of whatever nature regarding the validity, interpretation, implementation or the rights and obligations arising out of, or in relation to, or howsoever arising under or in relation to this Agreement between the Parties, and so notified by either Party to the other Party (the "Dispute") shall be subject to the dispute resolution procedure set out in this Article. It is specially clarified here that in case of any ambiguity regarding the Works, the practices existing at the time of submission of the proposal as per Good Industry Practice would prevail.

5.2 Direct discussion between Parties

The Parties agree that any Dispute that may arise between them shall be first submitted for direct discussion between the Parties. For this purpose, the notice of Dispute (the "Notice of Dispute") sent by one Party to the other Party at its registered office shall be

considered as invitation for direct discussion, and it should specify a reasonable time and venue for the conducting of negotiation proceedings. In addition, the Notice of Dispute shall specify the basis of the Dispute and the amount claimed. In the direct discussion proceedings, each Party shall be represented by their representatives/officials or employees with sufficient knowledge and authority over the subject matter of the Dispute in order for the discussion to be meaningful. At the discussion proceedings, the Party that has given the Notice of Dispute shall present an offer of a settlement, which may form the starting point of discussions between the two Parties during the discussion proceedings.

5.3 Arbitration or Adjudication

- a. In the event that the parties are unable to resolve the Dispute through Direct Discussion, the Parties shall submit the Dispute for arbitration in accordance with the Arbitration and Conciliation Act, 1996. There shall be a board of 3 (three) arbitrators of whom 1 (one) shall be appointed by the "EESL", 1 (one) shall be appointed by the "APSPDCL" and the third shall be appointed by the 2 (two) arbitrators appointed as aforesaid.
- b. The arbitration proceedings shall be conducted in the English language only.
- c. The cost incurred on the process of arbitration including *inter alia* the fees of the arbitral tribunal and the cost of the proceedings shall be borne by the Parties in equal proportions. Each Party shall bear its own legal fees incurred as a result of any Dispute under this Article.
- d. Performance during Dispute- Performance of this Agreement shall continue during the settlement of any Dispute under this Article. The provisions for dispute settlement shall be binding upon the successors, assigns and any trustee or receiver of either the "EESL" or the "APSPDCL".

ARTICLE 6 CONFIDENTIALITY

- 6.1 Neither of the Parties shall, at any time, before the expiry or termination of this Agreement, without the consent of the other Party, divulge or suffer or permit its officers, employees, or agents to divulge to any person (other than to any of its or their respective officers or employees who require the same to enable them to properly carry out their duties), any information relating to the negotiations concerning the operations, contracts, commercial or financial arrangements or affairs of the other Party or any proprietary information of the other Party except

the information which is already in public domain or becomes public knowledge, need to be disclosed by order of court / statutory authority etc..

ARTICLE 7 MISCELLANEOUS PROVISIONS

7.1 Governing Law and Jurisdiction

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the **Courts of Tirupati** shall have exclusive jurisdiction over all matters arising out of or relating to this Agreement.

7.2 Severability

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other legal and valid instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing upon one or more provisions, which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable. Provided failure to agree upon any such provisions shall not be a subject matter to dispute resolution under this Agreement or otherwise.

7.3 Entire Agreement

This Agreement and the Annexure referred therein together constitute a complete and exclusive statement of the terms and conditions of the agreement between the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless such modification or amendment is agreed to in writing by the Parties and duly executed by persons especially empowered in this behalf by the respective Parties.

7.4 Compliance with Laws and Directives

"EESL" and "APSPDCL" shall comply with all the laws as applicable to them.

7.5 Assignment

The Company shall be entitled to subcontract tasks relating to its obligations and responsibilities under this Agreement, including but not limited to tasks relating to implementation of the Project. However the Company shall be sole and primary

person responsible to the DISCOM for the observance of all the provisions of this Agreement.

7.6 Non-Waiver of Rights

The failure of any Party to enforce at any time the provisions hereof shall not be construed to be a waiver of any such provisions or a waiver of the right of such Party thereafter to enforce any such provisions. No waiver by a Party of any right hereunder shall be deemed a waiver of any other right.

7.7 Trade mark

No party shall use other party' trade mark or name in any communication, products etc. without its consent in writing.

7.8 Principal to principal

The relationship between EESL and APSPDCL shall be that of principal to principal and nothing in this Agreement shall be deemed to have create a joint venture between the Parties to this Agreement and neither Party has the right or authority to assume or create obligations of any kind addressed to or intended for the other Party or to bind the other Party in any respect except as may be set out in this Agreement.

IN WITNESS whereof the Parties have executed and delivered this Agreement as of the date first above written.

For and on behalf of EESL	For and on behalf of APSPDCL
Authorized Signatory Name: Designation:	Authorized Signatory Name: Designation:
In the Presence of: WITNESS: In presence of: Name: Address:	In the Presence of: WITNESS: In presence of: Name: Address:
Name: Address:	Name: Address:

**Annexure A: Monthly Repayment Schedule to EESL for supply of
7,00,000 fans or otherwise to be prorated.**

Month	Amount Recovered from Consumers (Rs)	Payouts out of APSPDCL's DSM Fund or Govt. Subsidy to APSPDCL (Rs)	Total Payment to EESL (Rs)
1	3,64,58,333	0	3,64,58,333
2	3,64,58,333	0	3,64,58,333
3	3,64,58,333	0	3,64,58,333
4	3,64,58,333	0	3,64,58,333
5	3,64,58,333	0	3,64,58,333
6	3,64,58,333	0	3,64,58,333
7	3,64,58,333	0	3,64,58,333
8	3,64,58,333	0	3,64,58,333
9	3,64,58,333	0	3,64,58,333
10	3,64,58,333	0	3,64,58,333
11	3,64,58,333	0	3,64,58,333
12	3,64,58,333	0	3,64,58,333
13	3,64,58,333	0	3,64,58,333
14	3,64,58,333	0	3,64,58,333
15	3,64,58,333	0	3,64,58,333
16	3,64,58,333	0	3,64,58,333
17	3,64,58,333	0	3,64,58,333
18	3,64,58,333	0	3,64,58,333
19	3,64,58,333	0	3,64,58,333
20	3,64,58,333	0	3,64,58,333
21	3,64,58,333	0	3,64,58,333
22	3,64,58,333	0	3,64,58,333
23	3,64,58,333	0	3,64,58,333
24	3,64,58,333	0	3,64,58,333
Total	87,49,99,992		87,49,99,992

Annexure B: Technical Specifications for BEE 5 star Ceiling Fans

S.No	Description	Specs
1	Certification	BEE 5 star rating
2	Normal Input watts at maximum speed and at rated voltage	50 watts at 230V
3	Air Delivery at rated voltage	≥ 210 cmm
4	Rated speed in RPM	≥ 330 rpm
5	Down rod length	300mm
6	Colour of BEE 5 star ceiling fan	Brown/White
ALL PERFORMANCE PARAMETERS TO COMPLY AS PER IS 374: 1979 AND AMENDMENTS		

Note:

- BEE 5 star ceiling fan to be supplied with all required accessories such as capacitor, down rod, canopies, shakle blades, nut-bolts etc
- All 5 star rated ceiling fans which are not BLDC are eligible to bid.

SAMPLE TESTING:

During supply, Sample testing i.e Type test, Routine test, Acceptance test etc may be carried out as per IS 374: 1979 and amendments to ensure conformance to BEEE 5 star rating standard.

K.R.REDDY, B.Com., B.L., I.R.P.M.

Advocate.

Phone: 9441045501

Regd. Post With Ack Due

Date: 26.11.2016

To,
The Chairman,
AP Electricity Regulatory Commission,
D No:11-4-660, 4th Floor,
Singareni Bhavan, Red Hills,
Hyderabad -500 004.

Sir,

Sub: DISCOMS – APSPDCL –application filed for
implementation of the Domestic Efficient Fans Programme
– submission of objection – Request for rejection of the
application- Reg.

Ref: OP NO:25/2016 on the file of the APERC, Hyderabad.
-oOo-

With reference to the above I submit the following for your kind attention and for consideration.

Your good office is well aware about the basic constitution, aims and objects of the APSPDCL. The APSPDCL authorities in the name of efficient energy carpeted their statutory duties and services to the customers and came forward with a the new proposal for implementation of the Domestic Efficient Fans Programme.

It is nothing but marketing of the 7,00,000 Fans which is a Private product promoted by the Energy Efficiency Services Limited, New Delhi in the name of energy efficiency at the instance of the vested interests, which is highly objectionable and not illegally acceptable.

It is pertinent to note that the APSPDCL in order to carpet its failure in initiating the adequate measures for effective implementation of energy conservation, with a view to divert the consumer in one form or other.

The following are the few aspects where the APSPDCL failed in bringing efficiency, effectiveness and implementation.

1. The APSPDCL failed to initiate steps for the reduction of energy losses, lack adequacy and effectiveness in the network planning & its execution.

Reddy

SS Nilayam, D.No.26-16-181, Near SRK School, 7th Cross, Iskcon City,
Nellore-524004, E-mail: krreddy.advocate@gmail.com

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29/11/16

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2. Failed to improve the operational efficiency.
3. Injudicious investment and expenditure.
4. Failed to improve the efficiency in Billing and Collection of Revenue.
5. Failed to deploy sufficient staff for monitoring the activities of the APSPDCL at field level.
6. The absence and understaffing of the categories like Helper, Linemen at ground level.
7. Failed to complete the schemes and projects and thereby loosing the benefits thereon.
8. Lack of inspection of services and absence of control of theft.
9. No initiation of the reduction of the distribution losses.

These are few among other issues yet to be attended by the APSPDCL. Instead of doing its duties and rectification of the administrative lapses, the APSPDCL with a view to satisfy the vested interests came forward with a new scheme in the name of, " Implementation of the Domestic Efficient Fans Programme".

The way in which APSPDCL shown interest in filling the application, they are not even having 10% interest in attending the above issues.

In fact the scheme is nothing but a massive Marketing scheme on behalf of M/s Energy Efficiency Services Limited, New Delhi in the name of energy efficiency coating which is highly illegal and objectionable. People are also murmuring about the possibility of quid pro quo in the alleged marketing scheme.

In view of the above I request your good office to reject the application filed by the APSPDCL and protect the interests of the consumer and direct the APSPDCL authorities to initiate steps for the rectification of their internal lapses and save the consumer from the high handed acts and schemes of the APSPDCL, in the larger interest of the society.

Thanking you Sir,

Yours sincerely,



(K.R. REDDY)
Advocate