

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION  
HYDERABAD

Order Dated 30-03-2017

IN

O.P.No.15 of 2017

(SUO - MOTU)

Present

Sri. Justice G. Bhavani Prasad, Chairman

Dr.P.Raghu, Member

Sri. P. Rama Mohan, Member

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In the matter of notifying the generic preferential tariff applicable from 01-04-2017 to 31-03-2018 in respect of Wind Power Projects in the State of Andhra Pradesh pursuant to Regulation 6 of Regulation 1 of 2015

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The Commission has issued the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulation, 2015 and notified on 31-07-2015.

As per the Regulation 6 of Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulation, 2015, the Commission shall notify the generic preferential tariff on suo-motu basis at the beginning of the each year of the tariff period for the wind power projects for which norms have been specified under the Regulation.

Accordingly, the parameters taken into consideration as per the Regulation 1 of 2015 for determination of tariff are as hereunder:

Sl.No.	Parameter	Value
1	Tariff Period	25 Years
2	Useful Life	25 Years
3	Capital Cost	Rs.586.37 Lakhs/MW (including evacuation cost)
4	O & M Expenses	Rs.9.58 Lakhs
5	O & M Expenses' Escalation	5.72% p.a.
6	Depreciation for the first 10 years	7% p.a
7	Depreciation for the remaining useful life of the plant	1.33% p.a
8	Capacity Utilization Factor	23.5%
9	Return on Equity	16%
10	Interest Cost on Debt	12.3%
11	Tenure of Loan	10 years
12	Interest on Working Capital	12.8%
13	Debt Equity Ratio	70:30
14	Discount Rate(*)	11.04

(\*) worked out notionally with Income tax of 25% and a surcharge of 7% and education cess of 3% of the total of income tax and surcharge.

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Based on the above parameters and considering the useful life of the Wind power plant as 25 years, the levelised generic preferential tariff works out to Rs.4.76 per unit without considering the Accelerated Depreciation and Rs.4.35 per unit with Accelerated Depreciation as tabulated below.

Tariff without AD Benefit	Tariff with AD Benefit
4.76	4.35

The above tariff shall be applicable for all the new Wind Power Projects entering into Power Purchase Agreements (PPA's) with AP Discoms on or after 01-04-2017.

This order issued in exercise of the powers conferred by the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulation, 1 of 2015, which is now in force, is subject to any further or final orders that may be passed by the Andhra Pradesh Electricity Regulatory Commission in accordance with law in O.P.No.5 of 2017 and O.P.No.1 of 2017 on its file and on the letters/communications received by the Commission and clubbed with the said Original Petitions 5 of 2017 and 1 of 2017 and any other orders that may be passed in any matter incidental or ancillary thereto.

Sd/-  
**(P.RAMA MOHAN)**  
MEMBER

Sd/-  
**Dr.P.RAGHU**  
MEMBER

Sd/-  
**JUSTICE G.BHAVANI PARASAD**  
CHAIRMAN