



**ANDHRA PRADESH
ELECTRICITY REGULATORY COMMISSION**

(Regulatory Commission for the States of Andhra Pradesh and Telangana)
D.No.11-4-660, 4th & 5th Floors, Singareni Bhavan, Red Hills,
Hyderabad 500 004

**10th ANNUAL REPORT
2008-09**

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Abbreviations

A.P. / AP	Andhra Pradesh
APCPDCL	Central Power Distribution Company of Andhra Pradesh Limited
APDDCF Ltd.	Andhra Pradesh Dairy Development Cooperative Federation Limited
APEPDCL	Eastern Power Distribution Company of Andhra Pradesh Limited
APERC	Andhra Pradesh Electricity Regulatory Commission
APGPCL	Andhra Pradesh Gas Power Corporation Limited
APNPDCL	Northern Power Distribution Company of Andhra Pradesh Limited
APPCC	Andhra Pradesh Power Coordination Committee
APSPDCL	Southern Power Distribution Company of Andhra Pradesh Limited
APTRANSCO	Transmission Corporation of Andhra Pradesh Limited
APTS	Andhra Pradesh Technology Services Limited
ARR	Aggregate Revenue Requirement
CAG	Comptroller and Auditor General of India
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CIRE	Central Institute for Rural Electrification
CMD	Chairman & Managing Director
Cr.	Crore
Discom	Distribution Company
EPABX	Electronic Private Automatic Branch Exchange
ERC	Electricity Regulatory Commission
ESCI	Engineering Staff College of India
FICCI	Federation of Indian Chamber of Commerce and Industry
FOIR	Forum of Indian Regulators
FOR	Forum of Regulators
FY	Financial Year
G.O.	Government Order
GIS	Geographic Information System
GoAP	Government of Andhra Pradesh
GTCS	General Terms & Conditions of Supply
HRD	Human Resource Development
HT	High Tension
I.A.	Interlocutory Application
IIT	Indian Institute of Technology
INDIRAMMA	Integrated Novel Development in Rural Areas and Model Municipal Areas

IT	Information Technology
JBIC	Japan Bank of International Cooperation
KTPP	Kakatiya Thermal Power Plant
kV	Kilo-Volt
kW	Kilo-Watt
LAN	Local Area Network
MVAR	Mega Volt Ampere Reactive
MW	Mega Watt
MYT	Multi-Year-Tariff
NCE	Non-Conventional Energy
NGO	Non-Governmental Organization
O&M	Operation & Maintenance
O.P.	Original Petition
PPA	Power Purchase Agreement
R.P.	Review Petition
RESCO	Rural Electric Supply Cooperative Society
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RoCE	Return on Capital Employed
RPPO	Renewable Power Purchase Obligation
RTI	Right to Information
SAC	State Advisory Committee
SCADA	Supervisory Control and Data Acquisition
SCCL	Singareni Collieries Company Limited
SERC	State Electricity Regulatory Commission
SI	System Improvement
SLDC	State Load Despatch Centre
SLM	Straight Line Method
SPIO	State Public Information Officer
SSLBPH	Sri Sailam Left Bank Power House
STU	State Transmission Utility
T.A.	Traveling Allowance
Temp.	Temporary
u/s	Under Section
URL	Uniform Resource Locator
VTPS	Vijayawada Thermal Power Station
W	Watt
WDM	Written Down Value Method
www	World Wide Web

EXECUTIVE SUMMARY

The Andhra Pradesh Electricity Regulatory Commission presents the Annual Report for the tenth functional financial year ended 31st March, 2009 duly incorporating the Summary of Activities together with the Audit Certificate-cum-Separate Audit Report of the Comptroller & Auditor General of India (CAG) on the Annual Accounts of the Commission under sections 104 & 105 of the Electricity Act, 2003.

The Summary of the activities of the Commission during FY 2008-09 are:

- i) No fresh licences/exemptions were granted during 2008-09.
- ii) The Commission notified One (1) Regulation as detailed in Chapter-IV.
- iii) The number of petitions/applications disposed by the Commission is as given below:

Sl. No.	Petitions	Disposed
1)	Original Petitions	22 Nos including One No. in admission stage
2)	Review Petitions	7 Nos including 5 Nos.in admission stage
3)	Interlocutory Applications	8 Nos

- iv) The Commission accorded approval for various Transmission Investment schemes of total value Rs.3078.67 crore and Distribution Investment schemes of total value Rs.447.87 crore during the year 2008-09.
- v) The Commission in its order dated 17.09.2008 permitted the Discoms to continue bill collection activity through e-seva centres at rates not exceeding Rs.2/- per transaction till conclusion of the Tariff Year 2008-09.
- vi) The Commission issued orders on 29.09.2008 in the matter of determination of tariff for Grid Interactive Solar Thermal and Solar Photo Voltaic Power Generation projects and issued its review order on 29.12.2008.
- vii) The Commission issued orders on Amendment to General Terms & Conditions of Supply (GTCS) vide proceedings No.Secy/02/2009, dated 23.01.2009 for normative power factor of 0.95 to be maintained by all HT Industrial consumers as per Grid Connectivity Standards (Regulation 2007) of CEA, New Delhi.
- viii) 12th meeting of State Advisory Committee was held on 19.01.2009.
- ix) The Commission issued a) Transmission Tariffs for FY 2009-10 to FY 2013-14 b) SLDC tariff for FY 2009-10 to FT 2013-14 c) Wheeling Tariffs for FY 2009-10 to FY 2013-14 and c) Retail Supply Tariffs Order for FY 2009-10 on 20th March, 2009. These tariffs take effect from 1st April, 2009 onwards.
- x) The Commission passed orders on 31.03.2009 in the matter of determination of Tariff/Power Purchase Price (Variable Cost or Single Part Tariff) for the period from 01.04.2009 to 31.03.2014 in respect of "New and Renewable Sources of Energy" in the state of Andhra Pradesh covered by the Commission order dated 20.03.2004.

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- xi) The Commission issued orders on 31.03.2009 in the matter of Renewable Power Purchase Obligation (RPPO) during each of the years 2009-10 to 2013-14 at the rates applicable for purchase of electricity from such Renewable Power sources

CHAPTER-I ORGANISATIONAL SETUP & ADMINISTRATION

1.1 The Commission:

The Andhra Pradesh Electricity Regulatory Commission (hereinafter called “the Commission”) was constituted vide G.O. Ms. No. 65, Energy (Power III) dated 31.03.1999 as an independent and autonomous statutory body under the provisions of Andhra Pradesh Electricity Reform Act, 1998 [Reform Act] to regulate the business of electricity including tariff fixation and create an environment for dynamic and equitable growth of the electricity sector in the State. The Commission comprises a Chairman and two Members, appointed by the Government of Andhra Pradesh as per the selection procedure prescribed in the Reform Act. The Commission became operational w.e.f. 3rd April, 1999.

1.1.1 The Electricity Act, 2003 came into force w.e.f. 10.06.2003. While repealing the three earlier Acts viz., the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998, the new Act saved the provisions of the Reform Act, not inconsistent with the provisions of the new Act, will continue to apply in the State of Andhra Pradesh.

1.1.2 During the financial year 2008-09, **Sri A.Raghotham Rao**, rendered his service from 16.07.2008 onwards as Chairman of the Commission. **Sri Surinder Pal** rendered his services upto 16.06.2008 as Member (Finance), **Sri R.Radha Kishen**, rendered his services as Member (Technical) and **Sri C.R.Sekhar Reddy**, rendered his service from 14.08.2008 onwards as Member (Finance) of the Commission.

1.2 Functions and duties of the Commission:

Section 86 of the Electricity Act, 2003 enumerates the functions of the State Electricity Regulatory Commission as:

- 1) the Commission shall discharge the following functions, namely:-
 - (a) To determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be within the State:

Provided that where open access has been permitted to a category of consumers u/s 42, the Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
 - (b) To regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
 - (c) To facilitate intra-State transmission and wheeling of electricity;
 - (d) To issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with

- respect to their operations within the State;
- (e) To promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
 - (f) To adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
 - (g) To levy fee for the purposes of the Act;
 - (h) To specify State Grid Code consistent with the Grid Code specified by CERC having regard to Grid Standards.
 - (i) To specify or enforce standards with respect to quality, continuity and reliability of service by licensees; and
 - (j) To fix the trading margin in the intra-State trading of electricity, if considered, necessary;
 - (k) To discharge such other functions as may be assigned under the Act.
- (2) The Commission shall advise the State Government on all or any of the following matters, namely:-
- (i) Promotion of competition, efficiency and economy in activities of the electricity industry.
 - (ii) Promotion of investment in electricity industry;
 - (iii) Reorganization and restructuring of electricity industry in the State;
 - (iv) Matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the Commission by the State Government.
- (3) The Commission shall ensure transparency while exercising its powers and discharging its functions.
- (4) In discharge of its functions, the Commission shall be guided by the National Electricity Policy, National Electricity Plan and Tariff Policy published under sub-section (2) of section 3 of the Electricity Act, 2003.

1.3 **Infrastructure:**

1.3.1 **Office Building:** The Commission has its office at rented premises at 11-4-660, 4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad 500004 with court hall for conducting hearings on petitions and appeals, conference hall for conducting meetings and library for access of records, information and literature.

1.3.2 **Local Area Network (LAN) and website Hosting:** All the Computer systems in the Commission's office are connected through a Local Area Network (LAN) enabling for access to any reference information. The URL

address of the Commission website has been renamed as www.aperc.gov.in in place of www.ercap.org; and is used for announcing the hearing schedules, news, updates, issuing the orders and inviting comments on concept papers, regulations and petitions. It also provides information on Consumer Grievances Redressal Forums and Vidyut Ombudsman and guides the consumer for redressal of their grievances. Further, information like notified Regulations, orders and reports and details regarding Right to Information Act, 2005 are also available in downloadable formats on the website. The website is designed & maintained by the Information Technology (IT) wing of the APERC.

- 1.3.3 **Library:** Various books, periodicals, law journals and other documents pertaining to the electricity sector as required from time to time were procured during the year.

1.4 **Organizational structure:**

The Organizational chart of the Commission is as given below:

Andhra Pradesh Electricity Regulatory Commission							
Chairman							
Member (Finance)							
Member (Technical)							
Commission Secretary		Director (Administration)	Director (Engineering)	Director (Law)	Director (Tariff)		
	Joint Director (Information Technology)		Joint Director (Engineering)	Joint Director (Law)	Joint Director (Accounts & Financial Analysis)	Joint Director (Tariff Economics)	Joint Director (Tariff Engineering)
Executive Assistant to Commission Secretary	Deputy Director (Information Technology)	Deputy Director (Personnel)	Deputy Director (Distribution)	Deputy Director (Legal Procedures)	Deputy Director (Tariff Accounts & Financial Analysis)	Deputy Director (Tariff Economics)	Deputy Director (Tariff Engineering)
Deputy Director (Consumer Assistance)		Deputy Director (Pay & Accounts)	Deputy Director (Cabling & Power Enforcement)	Deputy Director (Law)			
		Personnel Officer	Deputy Director (Concessions)				
		Accounts Officer					

1.5 **Staffing Position:**

- 1.5.1 54 personnel are in position as on 31.03.2009 as against the sanctioned strength of 81, the Staffing position as on 31.03.2009 is as given below:

Sl. No.	Name of the Employee S/Sri/Smt.	Designation
1	K.Rajagopala Reddy	Director/Law & Commission Secretary I/c
2	C.Ramakrishna	Director/Administration
3	Umakanta Panda	Joint Director/Information Technology

Sl. No.	Name of the Employee S/Sri/Smt.	Designation
4	Dr. P.Rama Rao	Deputy Director/Tariff (Economics)
5	Dr. A.Srinivas	Deputy Director/Legal Procedure
6	P.Solomon Herme	Deputy Director/Planning & Power Procurement
7	K.Sreedhar Reddy	Deputy Director/Engineering
8	N.Nagaraj	Deputy Director/Law
9	P.Sarada	Deputy Director/Information Technology
10	N.Bhanu Prakash	Deputy Director/Personnel
11	P.Visweswara Sastry	Deputy Director (Pay & Accounts)
12	A.V.L.K.Jagannadha Sarma	Deputy Director/Transmission
13	K.Hari Prasad	Deputy Director/Tariff (Accounts & Financial Analysis)
14	Antaryami Sahoo	Deputy Director/Tariff (Engineering)
15	K.Vijaya Kumar	Deputy Director/Consumer Assistance
16	B.Ramesh Babu	Accounts Officer
17	V.Srinivasa Babu	Personnel Officer
18	S.Rajender	Private Secretary
19	S.Vilma Samuel	Private Secretary
20	P.Lakshmi Kantamma	Junior Personnel Officer
21	G.V.R.Yohendra Rao	Security Officer
22	P.V.Suryanarayana Rao	Steno-cum-computer Operator
23	V.Sarada	Steno-cum-computer Operator
24	N.Sasikala	Steno-cum-computer Operator
25	P.V.Padmaja	Steno-cum-computer Operator
26	A.Lakshman Kumar	Steno-cum-computer Operator
27	H.G.Geetha	Librarian
28	R.Jayasree	Clerk-cum-computer operator
29	M.B.A.S.T.Sai	Clerk-cum-computer operator
30	B.Durga Prasad	Clerk-cum-computer operator
31	P.Amarnath	Clerk-cum-computer operator
32	G.Nataraju	Clerk-cum-computer operator
33	P.V.L.Sailaja	Clerk-cum-computer operator
34	P.Vijaya Lakshmi	Clerk-cum-computer operator
35	A.G.V.Satya Prakash	Personal Assistant
36	V.M.V.R.S.Sridhar	Personal Assistant
37	G.Surya Kumari	Personal Assistant
38	I.Usha Rani	Telephone Operator
30	G.Venkateswara Rao	Receptionist
40	M.Sudarsan	Caretaker
41	M.Iqbal Ansari	Messenger
42	C.Laxminarayana	Driver
43	A.Rahman	Driver
44	Syed Yousuf	Driver
45	Mohammed Ali	Office Subordinate
46	P.Anil Chand	Office Subordinate

Sl. No.	Name of the Employee S/Sri/Smt.	Designation
47	P.Ramakrishna Murthy	Office Subordinate
48	G.Kumar	Office Subordinate
49	P.Srinivasa Rao	Office Subordinate
50	B.Srinivas	Office Subordinate
51	S.Srinivasa Rao	Office Subordinate
52	Y.Damodar Rao	Office Subordinate
53	G.Appanna	Office Subordinate
54	K.Ramu	Security Guard

1.5.2 The Commission continued to engage security staff, janitorial services and other housekeeping functions on outsourcing basis through a service provider in the interest of economy and efficiency.

1.6 Administration (Human Resource Development):

1.6.1 The Commission continued its proactive role in enhancing the capabilities of the officers and the staff of the Commission to match the requirements of the changing scenario of the Energy Sector and to deal with regulatory issues by sponsoring them for various training programs in the country as listed below:

1.6.2 Details of Training programmes attended by Officers of APERC during the FY 2008-09 is as given below:

S. No	Name of the Employee & Designation S/Sri	Details of the Program		
		Programme Name	Course Duration	Conducted By
1	G.V.Nagesh, Secretary	Power Transmission in India	12-13, May 2008	Indian Infrastructure Publishing Pvt. Ltd.
		Solar Power in India - Policy, Technology Economics & Investment	23-24, Jun 2008	Indian Infrastructure Publishing Pvt. Ltd.
2	C.Ramakrishna, Director (Administration)	HR Score Card for Business results	12-13, Jul 2008	HRD Global Consultants, Hyderabad
3	S.Ramanuja Rao, Director (Engineering)	Energy Accounting and Auditing in Power Sector - Strategies & Techniques	19-21, May 2008	CIRE, Hyderabad
		Solar Power in India - Policy, Technology Economics & Investment	23-24, Jun 2008	Indian Infrastructure Publishing Pvt. Ltd.
4	Umakanta Panda, Joint Director (Information Technology)	Capacity building programme for the offices of ERCs	30 Jun - 05 Jul, 2008	IIT, Kanpur

S. No	Name of the Employee & Designation S/Sri	Details of the Program		
		Programme Name	Course Duration	Conducted By
5	S.B.V.Rajesh, Deputy Director (Transmission)	5 th Asia Gas Partnership Summit	14-15, Apr 2008	FICCI, New Delhi
		Power Transmission in India	12-13, May 2008	Indian Infrastructure Publishing Pvt. Ltd.
		Energy Accounting and Auditing in Power Sector - Strategies & Techniques	19-21, May 2008	CIRE, Hyderabad
6	P.Solomon Herme, Deputy Director (Planning and Power Procurement)	Energy Accounting and Auditing in Power Sector - Strategies & Techniques	19-21, May 2008	CIRE, Hyderabad
		Solar Power in India - Policy, Technology Economics & Investment	23-24, Jun 2008	Indian Infrastructure Publishing Pvt. Ltd.
7	K.Vijaya Kumar, Deputy Director (Consumer Assistance)	Tariff philosophy and regulatory practices, issues and challenges	26-29, Aug 2008	ESCI, Hyderabad
		Power Transmission in India	12-13, May 2008	Indian Infrastructure Publishing Pvt. Ltd.

1.7 State Co-ordination Meeting:

The Government of Andhra Pradesh has constituted a Co-ordination Forum vide G.O. Ms.No.15 Energy (Pr.III) Department, dated 28.01.2004 read with G.O.Ms.No.119 Energy (PR.III) Department, dated 20.09.2014 under sub-section (4) of section 166 of the Electricity Act, 2003 for smooth and coordinated development of the power system in the State. The Chairman/APERC Sri A.Raghotham Rao, has chaired the 4th State Co-ordination Forum meeting held on 23.09.2008 and Sri R.Radha Kishen and Sri C.R.Sekhar Reddy were present at the meeting.

1.8 Visit of the Commission to FOR Meetings:

In order to coordinate the activities of central and state electricity regulation, a Forum of Regulators (FOR) has been constituted by the Government of India u/s 166(ii) of the Electricity Act, 2003. The FOR is responsible for harmonization, co-ordination and ensuring uniformity of approach amongst the Electricity Regulatory Commissions across the country, in order to achieve greater regulatory certainty in the

electricity sector. The APERC Chairman, who is a member of the FOR, actively participated in various meetings and working groups constituted by FOR, as detailed below:

Sl.	FOR Meeting	Date	Attended By
1)	7 th Meeting of FOR at New Delhi	13 th Jun, 2008	Sri R.Radha Kishen, Member
2)	9 th Meeting of FOR at Bhubaneswar, Orissa	14 th - 15 th Nov, 2008	Sri A.Raghotham Rao, Chairman
3)	10 th Meeting of FOR at Chennai, Tamil Nadu	30 th Jan, 2009	Sri A.Raghotham Rao, Chairman
4)	11 th Meeting of FOR at New Delhi	2 nd Mar, 2009	Sri A.Raghotham Rao, Chairman

1.9 Visit of the Commission to FOIR Meetings:

The Forum of Indian Regulators (FOIR) is a society registered under the Societies Registration Act, to promote transparency in the working of regulatory bodies, protect consumer interest and develop consumer advocacy organizations, develop human and institutional capacities in regulatory bodies, utilities and other stakeholders, research the efficiency and effectiveness of independent regulation, provide an information base on regulatory law and practice and regulatory economics, collaborate with academic and research institutions, professional bodies and NGOs in India and internationally in areas of interest to the society. To discuss the aspects of regulatory development in the electricity reforms of various states, the Commission attended three meetings for FOIR on the following dates:

Sl.	FOIR Meeting	Date	Attended By
1)	9 th Annual General Body Meeting at New Delhi	12 th Jun, 2008	Sri R.Radha Kishen, Member
2)	Research Conference at Chennai	31 st Jan, 2009	Sri A.Raghotham Rao, Chairman Sri R.Radha Kishen, Member Sri C.R.Sekhar Reddy, Member

CHAPTER-II LICENCING AND INVESTMENT APPROVALS

2.1 Licences:

No fresh licences were issued during the year 2008-09.

2.2 Exemptions:

No fresh exemptions were granted during the year 2008-09.

2.3 Monitoring the Licensees' Performance:

The Commission conducted review meetings during the year 2008-09, with the CMDs of the respective Discoms and also with the CMD of APTransco to review the status of implementation of various directives and orders issued by the Commission from time to time and other issues aimed at improving their operational & financial efficiency.

2.4 Investment approval - Transmission schemes:

The Commission approved the investment of Rs.3078.67 crore during the year 2008-09 in the following schemes proposed by APTransco:

Sl. No.	Scheme Name	Sanction No.	Estimated Cost (Rs. crore)
1	400 kV transmission scheme for evacuation of power from VTPS-IV stage	APT/TS/400/F-INVST-90/2008	428.05
2	Singore 132 kV Transmission scheme	APT/TS/132 / F-INVST-91/2008	6.77
3	132 kV interlinking lines from 220/132 kV Kamareddy Substation	APT/TS/132 / F-INVST-92/2008	9.23
4	Augmentation of Power Transformers at 16 Nos. existing 220 kV & 132 kV SS	APT/TS/220 / F-INVST-93/2008	137.96
5	132 kV features at 400 kV SS Manubrolu, Gudur (P.S.Nellore Dist.)	APT/TS/132/F-INVST-94/2008	17.22
6	220 kV Interlinking line to 400/220 kV Ogalapur Substation	APT/TS/220/F-INVST-95/2008	68.55
7	Bhoopalapally Power Transmission Scheme from KTPP	APT/TS/400/F-INVST-96/2008	261.91
8	Erection of 220/132 kV Sadasivpet SS with connected 220 kV and 132 kV interlinking lines	APT/TS/220/F-INVST-97/2009	52.53
9	Installation of 63 MVAR Reactors	APT/TS/400/F-INVST-98/2009	31.98
10	Strengthening & Modernization of Transmission System in and around Hyderabad Metropolitan Area	APT/TS/220-132-GIS HYD/F-INVST-99/2009	1984.80
11	Erection of 132/33 kV substation at Kanagal in Nalgonda district along with associated 132 kV transmission line	APT/TS/132/SS/F-INVST-100/2009	12.74
12	Erection of 132/33 kV substation at Tumkunta in Anantapur district along with associated 132 kV transmission line	APT/TS/132/SS/F-INVST-101/2009	17.30

Sl. No.	Scheme Name	Sanction No.	Estimated Cost (Rs. crore)
13	Erection of 132/33 kV substation at Editha in East Godavari District along with associated 132 kV transmission line	APT/TS/132/SS/F-INVST-102/2009	9.363
14	Erection of 132/33 kV substation at Autonagar in Krishna district along with associated 132 kV transmission line	APT/TS/132/SS/F-INVST-103/2009	9.72
15	Erection of 132/33 kV substation at Chintal in Hyderabad City along with associated 132 kV transmission line	APT/TS/132/SS/F-INVST-104/2009	16.15
16	Erection of 132/33 kV substation at Mudigedu in Kurnool Dist. along with associated 132 kV transmission line	APT/TS/132/SS/F-INVST-105/2009	14.39
Total			3078.67

2.5 Investment approval - Distribution schemes:

The Commission approved the following investment schemes each of worth Rs.5 Cr and above during 2008-09. The approved investment is the total project cost to be invested over 2 to 4 years.

Sl. No.	Scheme Name	Commission Ref. No.	Estimated Cost (Rs. crore)
APCPDCL:			
1	P: SI (JBIC) Scheme in Anantapur District (2008-09)	94/2008	12.32
2	P: SI (JBIC) Scheme in Rangareddy District (2008-09)	95/2008	7.84
3	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme (2008-09)	96/2008	31.17
4	P: IE (Distribution category) Scheme for intensive electrification and release of household services in urban areas	122/2008	28.66
5	P: SI Nalgonda District (2007-08)	123/2008	13.34
APCPDCL Total			93.33
APEPDCL:			
1	P: SI (JBIC Phase-II) Scheme in Srikakulam District (2008-09)	97/2008	9.76
2	P: SI (JBIC Phase-II) Scheme in Vizianagaram District (2008-09)	98/2008	8.29
3	P: SI (JBIC Phase-II) Scheme in Visakhapatnam District (2008-09)	99/2008	9.15
4	P: SI (JBIC Phase-II) Scheme in East Godavari District (2008-09)	100/2008	18.89
5	P: SI (JBIC Phase-II) Scheme in West Godavari District (2008-09)	101/2008	24.87

Sl. No.	Scheme Name	Commission Ref. No.	Estimated Cost (Rs. crore)
6	RGGVY - Rural Electrification Schemes - Rajahmundry circle	120/2008	80.21
7	SCADA works connecting 50 Nos 33/11 kV Substations in Visakhapatnam District	121/2008	10.00
APEPDCL Total			161.17
APSPDCL:			
1	P: SI (JBIC Phase-II) Scheme in Chittoor District (2007-08)	102/2008	9.76
2	P: SI (JBIC Phase-II) Scheme in Kadapa District (2007-08)	103/2008	9.43
3	P: SI (JBIC Phase-II) Scheme in Ongole circle, Prakasam District (2007-08)	104/2008	7.23
4	P: SI (JBIC Phase-II) Scheme in Krishna District (2007-08)	105/2008	8.04
5	P: SI (JBIC Phase-II) Scheme in Guntur District (2007-08)	106/2008	7.36
6	P: SI (JBIC Phase-II) Scheme in Nellore District (2007-08)	107/2008	6.88
7	P: SI (JBIC Phase-I) Scheme in Chittoor District (2007-08)	108/2008	11.14
8	P: SI (JBIC Phase-I) Scheme in Kadapa District (2007-08)	109/2008	13.18
9	P: SI (JBIC Phase-I) Scheme in Prakasam District (2007-08)	110/2008	12.08
10	P: SI (JBIC Phase-I) Scheme in Krishna District (2007-08)	111/2008	9.48
11	P: SI (JBIC Phase-I) Scheme in Guntur District (2007-08)	112/2008	12.60
12	P: SI (JBIC Phase-I) Scheme in Nellore District (2007-08)	113/2008	5.98
13	P: IE Indiramma Scheme in Chittoor District	114/2008	17.87
14	P: IE Indiramma Scheme in Krishna District	115/2008	11.26
15	P: IE Indiramma Scheme in Guntur District	116/2008	15.04
16	P: IE Indiramma Scheme in Prakasam District	117/2008	10.13
17	P: IE Indiramma Scheme in Kadapa District	118/2008	12.73
18	P: IE Indiramma Scheme in P.S.Nellore District	119/2008	13.18
APSPDCL Total			193.37
GRAND TOTAL			447.87

2.6 **Power Purchase Agreements (PPAs):**

2.6.1 The Commission has given consent under section 21(4)(b) of the Reform Act, for the following Power Purchase Agreements (PPAs) of APDiscoms for purchase of power from Non-Conventional Energy (NCE) projects:

Sl. No.	Name of the Company	Capacity (MW)	Type of project	Date of Consent
1)	M/s Balaji Energy Pvt. Ltd.	10 MW	Mini Hydel	09.07.2008
2)	M/s B.Seenaiah & Company	6.0 MW	Biomass Plant	03.12.2008
3)	M/s Janapadu Hydro Power Projects (P) Ltd.	1.0 MW	Mini Hydel	22.12.2008
4)	M/s Suryachakra Power Ventures (P) Ltd.	5.0 MW	Solar Thermal Power Project	07.01.2009

2.6.2 **Consent to the amendments to the PPAs:** The Commission has communicated consent to the amendments to the PPAs of the following four gas based Power Projects.

- i) M/s Gauthami Power
- ii) M/s GVK Extension Project
- iii) M/s Konaseema EPS Oakwell Power (P) Ltd.
- iv) M/s Vemagiri Power (P) Ltd.

CHAPTER-III TARIFF

3.1 ARR filings of Discoms:

The Discoms submitted the Aggregate Revenue Requirement (ARR) of distribution and retail supply business for determination of the wheeling and retail supply tariffs, on 29.11.2008. The Discoms made filings for determination of wheeling tariff for the 2nd Control Period as envisaged in the Regulation No.4 of 2005. The Discoms requested for permission to file retail supply tariff filings for one year, i.e., 2009-10 (instead of five years) only, in view of certain policy uncertainties and pending tariff fixation for few generating stations, with which reasonable predication cannot be made for five years. The Discoms request to file the retail supply tariff proposals for one year i.e., FY 2009-10 has been accepted and accordingly, the Discoms filed the application for determination of retail supply tariff for FY 2009-10

3.2 ARR filings of APTransco:

In accordance with Regulation No.5 of 2005, APTransco filed with the Commission on 29.11.2008 inter alia ARR, Transmission Tariff proposals and Transmission Loss percent for each year of the MYT Control Period of five years from 2009-10 to 2013-14 (Control Period).

Further, APTransco, the State Transmission Utility (STU) as per G.O.Ms.No.8, in accordance with Regulation No.1 of 2006 submitted its filing for determination of Annual Fee and Operating Charges for its State Load Despatch Centre (SLDC) activity for the 2nd Control Period from FY 2009-10 to FY 2013-14 on 29.11.2008.

3.3 Public Hearings:

The Commission held public hearings at various places of the licensees on 05.02.2009 at Warangal (APNPDCL), on 06.02.2009 at Hyderabad (APCPDCL), on 09.02.2009 at Ongole (APSPDCL), on 13.02.2009 at Visakhapatnam (APEPDCL) and on 11.02.2009 at Hyderabad (APTransco). The Joint Secretary, Energy GoAP standing in for the Special Chief Secretary, Energy, GoAP, made a statement before the Commission during the Public Hearing on 09.02.2009 (at Ongole) highlighted some of the important achievements of the power sector since the commencement of the reform process in the State, Government's commitment to provide free power to all eligible agricultural consumers, industrial development, reiteration of commitment to provide necessary financial assistance as needed by the Power Sector and to provide subsidy to the utilities in accordance with the provisions of Section 65 of the Electricity Act, 2003.

3.4 State Advisory Committee meeting:

APERC, in terms of the Electricity Act, 2003 has constituted a State Advisory Committee (SAC) to represent the interests of commerce, industry, transport, agriculture, consumers, Non-Governmental Organizations (NGOs), education and research. The major role of the SAC as assigned to it u/s 88 of the Electricity Act, 2003 is to advise the

Commission on major questions of policy, matters relating to quality, continuity and extent of service provided by the licensees, compliance by the Licensees with the conditions and requirement of the License protection of consumers interest and electricity supply and overall standards of performance by utilities. Many important issues relating to the ARR/Tariff proposals of the Licensees were discussed in the 12th State Advisory Committee (SAC) meeting held on 19.01.2009 and the suggestions made by the members of SAC have been taken into consideration by the Commission while finalizing the Tariff Orders. The Commission issued a) Transmission Tariffs for FY 2009-10 to FY 2013-14 b) SLDC tariff for FY 2009-10 to FY 2013-14 c) Wheeling Tariffs for FY 2009-10 to FY 2013-14 and c) Retail Supply Tariffs Order for FY 2009-10 on 20th March, 2009. These tariffs take effect from 1st April, 2009 onwards.

3.5 The Highlights of Electricity Tariffs for FY 2009-10 are indicated below:

3.5.1 Transmission charges and Transmission Losses for use of APTransco Transmission system for each year of the Five Year period FY 2009-10 to FY 2013-14.

- The Commission approved the Revenue Requirement for APTransco for Transmission Business, for a Five Year 2nd Control Period, from FY 2009-10 to FY 2013-14, at Rs.192.34 crore.
- The Transmission Charges payable and the Transmission Losses applicable, for each year of the Five Year 2nd Control Period, from FY 2009-10 to FY 2013-14, are as follows-

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Transmission Charges Rs./kW/month	47.79	50.86	63.47	65.50	61.03
Transmission Losses (%)	4.16	4.13	4.10	4.06	4.02

3.5.2 SLDC (State Load Despatch Centre) Charges and SLDC Fee for use of SLDC services for each year of the Five Year 2nd Control Period FY 2009-10 to FY 2013-14

- The Commission approved the Revenue Requirement for APTransco for SLDC activity for a Five Year 2nd Control Period, from FY 2009-10 to FY 2013-14, at Rs.192.34 crore.
- The SLDC Operating Charges & SLDC Annual Fee payable by Generating Companies and the Licensees to APTransco, which is operating SLDC as per the orders issued by the Government of Andhra Pradesh in terms of the Electricity Act, 2003, for each year of the Five Year 2nd Control Period, from FY 2009-10 to FY 2013-14, are as follows-

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
SLDC operating Charges Rs./MW/Month	1475.41	1506.66	1592.76	1539.29	1406.08
SLDC Annual Fee Rs./MW/Year	4028.15	4540.95	5366.78	5213.18	4755.66

3.5.3 Wheeling Charges and Wheeling Losses for use of Distribution System of each of the Four Distribution Companies viz., APCPDCL, APEPDCL, APNPDCL and APSPDCL, for each year of the Five Year 2nd Control Period FY 2009-10 to FY 2013-14.

3.5.4 Retail Supply Tariffs for different categories of consumers for FY 2009-10. These charges will be applicable from 01.04.2009.

- For Retail sale of Electricity for FY 2009-10, the Revenue Requirements for the four Distribution Companies viz., APCPDCL, APEPDCL, APNPDCL and APSPDCL have been approved at Rs.18860.49 crore The DISCOM wise Approved Revenue Requirements, are given below-

DISCOM	Aggregate Revenue Requirement for FY 2009-10 (Rs. in Cr.)
APCPDCL	8416.33
APEPDCL	3152.80
APNPDCL	2823.83
APSPDCL	4467.53
Total State	18860.49

- Based on the approved Aggregate Revenue Requirements, the Commission determined the Tariffs for Retail sale of electricity in the State u/s 61 & 62 of Electricity Act, 2003, the direction of Government of Andhra Pradesh on uniform tariffs across the State u/s 108 and their subsidy commitment u/s 65 of Electricity Act, 2003 for Rs.3486.15 crore [APCPDCL: Rs.1027.72 crore; APEPDCL: Rs.434.64 crore; APNPDCL: Rs.1216.99 crore; APSPDCL: Rs.806.80 crore]
- Tariffs have been rationalized for subsidizing HT-I Industrial & Railway Traction categories of consumers through reduction in energy charges by Rs.0.05 per unit.
- Presently, the Rural Horticulture Nurseries are being billed under Non-Domestic category. The tariff applicable henceforth for this category would be Rs.1.00 per unit
- Presently, the Salt Manufacturing Units are being billed under LT-III Industrial tariff. The tariff applicable henceforth for this category would be Rs.1.00 per unit
- Cotton Oil Seed Mills have been classified as Seasonal Industry
- A new Sub-category of Consumers, Religious places, has been introduced and these tariffs will be applicable for Temples, Mosques, Churches and Gurudwaras, etc., with a connected load upto 1 kW-
 - For the first 200 units-Rs.2.00 per unit
 - Above 200 units-Rs.4.00 per unit
- The Load Factor incentive scheme currently applicable to HT-I Industrial consumers is made applicable upto 31.03.2010

CHAPTER-IV LEGAL MATTERS AND REGULATIONS

4.1 Legal matters:

4.1.1 The number of Original Petitions (O.Ps.), Review Petitions (R.Ps.) and Interlocutory Applications (I.As.) disposed by the Commission during the year 2008-09 is as given below:

Sl. No.	Petitions	Disposed
1)	Original Petitions	22 Nos including One No. in admission stage
2)	Review Petitions	7 Nos including 5 Nos. in admission stage
3)	Interlocutory Applications	8 Nos
Total (2008-09)		37 Nos

4.1.2 The details of orders passed by the Commission during FY 2008-09 are as given below:

- i) Order dated 17.05.2008 in O.P. No.11 of 2007 & I.A. No.2 of 2008: The Commission dismissed the petition along with the I.A. filed by M/s Sardar Power Ltd., u/s 60, 86(1)(b), (e), 62 and 30 of the Electricity Act, 2003. as withdrawn.
- ii) Order dated 17.09.2008 in I.A. No.5 of 2008 (in R.P. No.1 of 2007 in O.P. No.36 of 2006), O.P. No.11 of 2008, O.P. No.8 of 2008 and I.A. No.8 of 2008 (in R.P. No.4 of 2007 in O.P. No.34 of 2006): The Commission permitted the Discoms to continue bill collection activity through e-seva centres at rates not exceeding Rs.2/- per transaction till conclusion of the Tariff Year 2008-09.
- iii) Order dated 29.09.2008 in O.P. No.13 of 2008 (Suo-moto) and O.P. No.14 of 2008 (Suo-moto): The Commission issued order in the matter of determination of Tariff for Grid Interactive Solar Thermal and Solar Photo Voltaic Power Generation Projects u/s 62 of the Electricity Act, 2003 respectively.
- iv) Order dated 01.10.2008 in O.P. No.10 of 2005: The Commission dismissed the petition filed by M/s Agri Gold Projects Ltd., Vijayawada seeking directions to APTransco & APSPDCL (Respondents) to calculate the delivered energy as not pressed.
- v) Order dated 24.10.2008 in O.P. (SR) No.1 of 2008: The Commission rejected the petition filed by APTransco, APPCC and four (4) Discoms u/s 62 and 86(1)(f) of the Electricity Act, 2003 with a prayer to pass order declaring that M/s GVK Industries Ltd., Secunderabad (Respondent) is not entitled to certain amounts claimed in respect of the Power Project, as not maintainable.
- vi) Order dated 11.11.2008 in I.A. No.6 of 2007 in O.P. No.23 of 2005: The Commission dismissed the petition filed by M/s Lanco Kondapalli Power Pvt. Ltd., Hyderabad u/s 8 of Arbitration and Conciliation Act, 1996 to reject the Petition in O.P. No.23 of 2005 and relegate the parties for arbitration in terms of Article 14 of the PPA dated 31.03.1997, as not pressed.

- vii) Order dated 19.11.2008 in O.P. No.8 of 2007 & I.A. No.7 of 2007: The Commission dismissed the petition filed by four (4) Discoms and APPCC u/s 86(1)(f) of the Electricity Act, 2003 in respect of the methodology to be adopted for calculating variable charge on using dual fuel for the power drawn from the M/s Lanco Kondapalli Power Pvt. Ltd., Hyderabad (Respondent), as withdrawn. As a sequel the I.A. filed by the Petitioners for interim relief is dismissed.
- viii) Order dated 26.11.2008 in R.P. (SR) No.28 of 2007: The Commission rejected the review petition at the admission stage itself filed by APTransco u/s 94(1)(f) of the Electricity Act, 2003 seeking reconsideration of certain provisions of MYT Transmission Order dated 23.03.2006 passed by the Commission in O.P. No.1 of 2006 (Transmission Tariff Order), as devoid of merits.
- ix) Order dated 02.12.2008 in R.P. (SR) No.42, 44, 46 and 48 of 2007: The Commission not admitted the review petitions filed by four (4) Discoms respectively, challenging the (common) Retails Supply Tariffs Order 2007-08 passed by the Commission in O.P. Nos. 33 to 36 of 2007, as are not maintainable.
- x) Order dated 03.12.2008 in O.P. No.7 of 2007: The Commission dismissed the petition filed by M/s Velagapudi Power Generation Ltd., Vijayawada u/s 86(1)(b), (e) and (f), 60, 62, 39, 43, 57(2) and 142 of the Electricity Act, 2003 for grant of following reliefs, as failed to substantiate to get any relief.
- To declare that the conduct of APSPDCL & APTransco (Respondents) is contrary to provisions of Act.
 - To direct APSPDCL to amend clause 2.2 of the PPA dated 12.11.2006 and to delete Schedule-1A from it.
 - To direct APSPDCL to pay for the supply of energy generated by the petitioner at the same rate on par with other biomass plants w.e.f. 13.12.2006 subject to outcome of the appeals pending before Hon'ble Supreme Court and also for payment of arrears.
 - To Respondents to pay compensation of Rs.1,39,42,246/- or such other amount which comprises of loss of interest, salaries & wages, degradation of raw material, etc., and award exemplary damages for abuse of monopoly power.
- xi) Order dated 17.12.2008 in O.P. No.9 of 2007 & I.A. No.3 of 2008: The Commission dismissed the petition along with the I.A. filed by four (4) Discoms and APPCC u/s 86(1)(b) and (f) for declaration that M/s Lanco Kondapalli Power Pvt. Ltd., (Respondent) is not entitled for finance and procurement charges of Rs.13,22,86,531/- (including bank guarantee charges of Rs.55,93,041/-) or any part thereof and also for evaporation losses of Rs.2,37,13,526/- or any part thereof, as is not maintainable.
- xii) Order dated 19.12.2008 in I.A. No.10 of 2008 in O.P. No.4 of 2007: The Commission directs the four (4) Discoms (Respondents) to pay APGPCL, Hyderabad (Petitioner) w.e.f., 01.04.2008, the following charges pending disposal of O.P. No.4 of 2007.
- Fixed charges for petitioner's generating stations as per

- Tariff Order dated 20.03.2008.
- Variable charges for thermal stations as per Table-16 of Para 277 of the Tariff Order 2008-09, duly adjusted for FCA claims.
 - Payment of advance Income Tax on proof of payment.
 - Incentive on annual basis.
 - Proportionate monthly 'on account' payments in regard to the provision of Rs.100 crore, subject to final adjustments as per the outcome of O.P. No.4 of 2007 and
 - Payment for energy delivered from SSLBPH in line with paragraphs 475 and 476 of Tariff Order 2004-05 subject year-end adjustments.
- xiii) Order dated 24.12.2008 in O.P. No.70-A(LVS) of 2001 and I.A. No.9 of 2008: the Commission disposed off the petition filed by M/s LVS Power Ltd., Hyderabad, in view of the orders of the Hon'ble Supreme Court dated 28.11.2008 dismissing the appeals preferred by the Commission as well as APTransco in C.A. Nos. 8095 & 8093 of 2002 and batch and affirming the order of the Hon'ble High Court, in CMA 1576/2002. The Commission had already passed orders on 08.10.2002 in pursuance of the order of the Hon'ble High Court in CMA 1576/2002. The I.A. filed by APTransco and four (4) Discoms u/s 94(2) of the Electricity Act, 2003 for restraining M/s LVS (Petitioner) from claiming of monthly fixed charges, is closed.
- xiv) Order dated 29.12.2008 in R.P. No.5 of 2008 (Suo-moto) & R.P. No.6 of 2008 (Suo-moto) read with their Amendment orders dated 31.12.2008: The Commission issued order in the matter of review of Tariff for Grid Interactive Solar Thermal and Solar Photo Voltaic Power Generation Projects u/s 94(1)(f) of the Electricity Act, 2003 respectively.
- xv) Order dated 20.03.2009 in O.P. Nos.17 to 20 of 2008: The Commission passed common Wheeling and Retail Supply Tariff Orders on the ARR and tariff proposals relating to the Distribution business for the 2nd control period i.e., FY 2009-10 to FY 2013-14 and Retail Supply Business for FY 2009-10 filed u/s 62 of the Electricity Act, 2003 by APCPDCL, APEPDCL, APNPDCL and APSPDCL respectively.
- xvi) Order dated 20.03.2009 in O.P. No.21 of 2008: The Commission passed Transmission Tariff Orders on the ARR and tariff proposals and Transmission Loss percent for each year of the 2nd control period i.e., FY 2009-10 to FY 2013-14 filed u/s 62 of the Electricity Act, 2003 by APTransco for its Transmission business.
- xvii) Order dated 20.03.2009 in O.P. No.22 of 2008: The Commission passed State Load Despatch Centre (SLDC) Annual Fee & Operating Charges Orders on the ARR and tariff proposals for each year of the 2nd control period i.e., FY 2009-10 to FY 2013-14 filed u/s 62 of the Electricity Act, 2003 by APTransco for its SLDC activity.

- xviii) Order dated 20.03.2009 in O.P. Nos.1, 2, 3 and 8 of 2009: The Commission passed orders on the ARR/ERC filings u/s 62 of the Electricity Act, 2003 made by Sircilla, Cheepurupalli, Anakapalle, and Kuppam RESCOs respectively for the year 2009-10.
- xix) Order dated 31.03.2009 in O.P. No.5 of 2009 (Suo-moto): The Commission passed orders in the matter of determination of Tariff / Power Purchase Price (Variable Cost or Single Part Tariff) for the period from 01.04.2009 to 31.03.2014 in respect of “New and Renewable Sources of Energy” in the state of Andhra Pradesh covered by the Commission order dated 20.03.2004.
- xx) Order dated 31.03.2009 in O.P. No.16 of 2008 (Suo-moto): The Commission in exercise of the powers conferred by section 86(1)(e) and all the other powers enabling in that behalf makes the Renewable Power Purchase Obligation (RPPO) during each of the years 2009-10 to 2013-14 at the rates applicable for purchase of electricity from such Renewable Power sources as per the order of the Commission in force from time to time.

4.2 **Regulations:**

The Commission issued One (1) Regulation during the year, under the Electricity Act, 2003, as detailed hereunder:

4.2.1 **The APERC (Terms and conditions for determination of tariff for supply of electricity by a generating company to a distribution licensee and purchase of electricity by distribution licensees) Regulation, 2008 (No.1 of 2008) u/s 61, 62, 86(1)(b) read with Section 181 of the Electricity Act, 2003.** This regulation was notified in the AP Extraordinary Gazette dated 01.09.2008. This Regulation shall be applicable to all generating companies supplying or intending to supply electricity to a Distribution Licensee, and all Distribution Licensees for purchase of electricity from generating companies, other licensees including trading licensees, captive generating plants and any other source. Provided that determination of tariff for supply of electricity to a distribution licensee from non-conventional sources of generation shall be in accordance with such terms and conditions as stipulated in relevant separate Orders of the Commission. This regulation specifies the following:

- i) The Distribution Licensee shall prepare and submit a Power Procurement Plan as per the Commission’s guidelines on Load forecasts, Resource plans and Power Procurement in terms of Regulation No.4 of 2005.
- ii) For Short term procurement of electricity, the Distribution Licensees shall follow the procedure as laid down by the Commission from time to time.
- iii) The Commission shall adopt tariff determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.
- iv) Tariff determination shall be based on Capital Cost guided by the principles and methodologies specified in CERC (terms and conditions of tariff) Regulations 2004 as amended from time to time.

- v) Tariff in respect of a generating station shall be determined stage-wise, unit-wise or for the whole generation station.
- vi) Tariff for sale of electricity shall comprise of two parts (a) annual fixed costs and b) energy charges.
 - a) the annual fixed charges shall consist of recovery of the following:
 - Return On Capital Employed (RoCE)
 - Depreciation
 - O&M expenses
 - Income-tax as per actuals
 - b) the energy charges
 - In case of Thermal generating station shall cover fuel costs and
 - In case of Hydro power generating stations, the Primary energy charges shall be computed.
- vii) The Licensee shall submit periodic returns as may be required by the Commission, containing operational and cost data to enable the Commission to monitor the implementation of its Order and reassess the basis on which tariff was approved.

CHAPTER-V CONSUMER ASSISTANCE

5.1 Consumer Grievance Redressal Forums (CGRFs) & Vidyut Ombudsman:

- 5.1.1 All the 4 Discoms have established the Consumer Grievance Redressal Forums (CGRFs), as per the APERC Regulation No.1 of 2004. The Forum shall consist of four Members including Chairperson of the Forum, the Licensee shall appoint the Chairperson and two Members of the Forum on full time basis, and the Commission shall nominate one independent Member who is familiar with consumer affairs.
- 5.1.2 In accordance with the provisions of the Regulation, the Forum shall decide the complaint expeditiously and shall communicate its decision to the Complainant within a period not exceeding forty five (45) days of the receipt of the complaint. The Forum shall give the reasons in support of its decisions.
- 5.1.3 Any Complainant if aggrieved by the non-redressal of the grievance by the Forum, may make a representation to the Vidyut Ombudsman within thirty (30) days from the date of the receipt of the decision of the Forum or from the date of the expiry of the period within which the Forum was required to take decision and communicate the same to the Complainant. Provided that the Vidyut Ombudsman may entertain an appeal after the expiry of the thirty (30) days period if satisfied that there is sufficient cause for not filing it within that period.
- 5.1.4 The Vidyut Ombudsman shall decide the representation finally within three (3) months from the date of the receipt of the representation of the Complainant and in the event the representation is not decided within three months the Vidyut Ombudsman shall record the reasons there for including the cost to be paid by the licensee in case the reasons for the delay is attributable to the licensee. In case the delay is for reasons attributable to the Complainant the Vidyut Ombudsman may reject the representation. Provided that the Vidyut Ombudsman may pass such interim orders as the Vidyut Ombudsman may consider appropriate pending the final decision on the representation.

5.2 Review of Quarterly & Annual Returns of CGRF:

The Commission reviewed the details like number/nature of grievances reported in the Quarterly returns & Annual returns furnished by the CGRFs and the reports furnished by the Ombudsman. The details of the grievances attended to by the CGRFs for the year 2008-09 have been given hereunder.

Sl. No.	Licensee	CGRF functioning with effect from	Number of Grievances received	Number of Grievances disposed off
1)	APCPDCL	26-02-2005	46	46
2)	APEPDCL	08-01-2005	387	387
3)	APNPDCL	06-01-2005	32	32
4)	APSPDCL	06-01-2005	61	61
Total			526	526

5.3 Vidyut Ombudsman:

A total of 32 Nos of appeals have been received by the Ombudsman and all of them have been disposed off. Along with the reports of the CGRFs,

the Commission has also been reviewing the Quarterly / Annual reports of the Ombudsman.

5.4 Consumer Assistance Cell in the Commission:

The Deputy Director (Consumer Assistance) guides and helps the consumers who approach the Commission for guidance on the redressal of the grievances pertaining to the consumer service. The written representations received from consumers are sent to the respective DISCOMs / CGRFs according to the stage of handling of the complaint.

5.5 Appraisal of Objections/Suggestions of consumers on the Tariff proposals:

Every year, as part of the processing of the ARR/Tariff proposals filed by the Licensees, the Commission invites Objections/Suggestions from the interested consumers on the Tariff proposals of the Discoms. The Commission also holds public hearings in the areas of Discoms. Deputy Director/Consumer Assistance accompany the Commission to record the objections of the consumers/public at the public hearings. For the FY 2009-10, Commission received Multi-Year-Tariff filings for 2nd control period, from FY 2009-10 to FY 2013-14, from Transmission Licensee, SLDC Operator and Distribution Licensees. Commission received objections/suggestions from about 491 Nos of Consumers/Consumer Associations on these filings. During the finalization of these respective Tariff Orders, Deputy Director/Consumer Assistance summarized all these objections/suggestions, along with the responses of the Discoms

5.6 Right to Information Act, 2005:

In pursuance of the provisions of Section 5 (1) and 19 (1) of the Right to Information Act 2005, Commission designated the following officers, vide proceeding No.Secy/08, dated 28.12.2005, as State Public Information Officer (SPIO) and 1st Appellate Authority under RTI Act.

State Public Information Officer of the AP Electricity Regulatory Commission to provide information to the person requesting for information under the Act	}	Deputy Director (Consumer Assistance), APERC
Senior officer with whom appeal against the decision or non-receipt of decisions of State Public Information Officer of the Commission lies.		Commission Secretary, APERC

As per the provisions of the RTI Act, the information sought for is being provided to the applicants. Apart from this activity, Quarterly & Annual returns are being sent to the Energy Department of GoAP. Details of the No of Applications received/disposed during the year 2008 are given below:

No of Applications Received in 2008	No of Applications disposed	No of Applications in which information furnished	Remarks
26	26	19	Refused u/s 8: 4 Nos. Transferred u/s 6(3): 3 Nos

CHAPTER-VI ACCOUNTS & AUDIT

6.1 Grant in Aid:

The Andhra Pradesh Electricity Regulatory Commission is funded by the **budgetary provisions of the State Government by way of Grants-in-aid**. During the year the Commission has received Rs.5.01 crore as Grants-in-Aid towards Salaries (Rs.2.9404 crore) and Other Grants-in-aid (Rs.2.0713 crore) from Government of Andhra Pradesh and is being operated through a nationalized bank account.

6.2 Capital Expenditure:

No grant was, however, received from the State Government towards capital expenditure during the year. The assets of the Commission have been created from the Other Grants-in-Aid received from the State Government.

6.3 Collection of annual fees from Licensees and for grant of exemptions:

The Commission recovered an amount of Rs.5.8413 crore during the year towards Licence fee from Transmission Licensee (APTransco), the four (4) Distribution Licensees (APCPDCL, APEPDCL, APNPDCL and APSPDCL) and from four (4) Rural Electric Cooperative Societies (Anakapalle, Cheepurupalli, Sircilla and Kuppam RESCOs) and the same was remitted to the State Government.

6.4 Books of Account and Other Records:

The Commission is maintaining proper books of accounts and other relevant records as required u/s 104(1) of the Electricity Act, 2003. The Annual Accounts of the Commission has been prepared on cash basis in the formats approved by the State Government.

6.5 Financial Statements:

The Commission prepared the following financial statements in accordance with the provisions of Para II (1) of Part-I of Schedule to Andhra Pradesh Electricity Reform Act, 1998.

- i) Receipts and Payments Account for the year ended 31st March, 2009
- ii) Income and Expenditure Account for the year ended 31st March, 2009.
- iii) Balance Sheet as on 31st March, 2009

6.6 Audit of Accounts:

The Comptroller & Auditor General of India have audited the financial statements of the Commission in accordance with section 104(2) of the Electricity Act, 2003. The Audit Certificate-cum-Separate Audit Report containing the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment received vide letter No.AG(E&RSA)/ES-II(Power)/APERC/2014-15/02 dated 10.06.2014 is furnished hereunder.

**Audit Certificate-cum-Separate Audit Report of the Comptroller & Auditor
General of India on the Annual Accounts of Andhra Pradesh Electricity
Regulatory Commission for the year ended 31st March 2009.**

1. We have audited the attached Balance Sheet of Andhra Pradesh Electricity Regulatory Commission, Hyderabad (APERC) as on 31st March, 2009 and the Income and Expenditure Account / Receipts and Payments Account for the year ended on that date under Section 19 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 104 (2) of the Electricity Act, 2003. These financial statements are the responsibility of the APERC's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards, disclosure norms, etc. Audit observations on financial transaction with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity), efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports / CAG's Audit Reports separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on the preliminary observations made by us, the accounts of the Commission have been revised. Due to revision, the excess of Income over Expenditure amounting to Rs.4.33 lakh had been increased to Rs.8.92 lakh and total assets and liabilities of the Balance sheet have also been increased by Rs.3.21 lakh.
5. Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. The Balance Sheet and Income and Expenditure Account / Receipts and Payments Account dealt with by this report have been drawn up in the format approved by the Comptroller and Auditor General of India under provisions of Para II (1) of Part - I of schedule to Andhra Pradesh Electricity Reform Act, 1998.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the APERC as required under section 104 (1) of the Electricity Act, 2003 in so far as it appears from our examination of such books.

iv. We further report that:

General:

(a) As per the orders of CAG, the common format of accounts of autonomous organizations prescribed by the Committee of Experts would be applicable, in the interest of transparency and comparability, to all autonomous bodies governed by separate Acts of Parliament and where CAG is the sole auditor. However, the APERC did not follow the Format though it is functioning under Electricity Act, 2003 which was enacted by Parliament and CAG is sole auditor for APERC.

Grants - in - Aid:

(b) Out of the grants in aid of Rs.5.01 crore received during the year (Rs. 1.04 crore was received in March 2009), the organization could utilize a sum of Rs.4.92 crore leaving a balance of Rs.2.15 crore as unutilized grant as on 31st March 2009 (previous year unutilized grant: Rs.2.06 crore).

v. Subject to our observation in the preceding paragraph, we report that the Balance Sheet and Income and Expenditure/Receipts and Payments Account dealt with by this report are in agreement with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Notes, and subject to the significant matters stated above and other matters mentioned in the Annexure to this Separate Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India.

- a) In so far as it relates to the Balance Sheet of the state of affairs of the Andhra Pradesh Electricity Regulatory Commission as at 31 March, 2009; and
- b) In so far as it relates to the Income and Expenditure Account of the surplus for the year ended on that date.

Place: Hyderabad
Date: 10.06.2014

Sd/-
(Lata Mallikarjuna)
Accountant General (E&RSA)

ANNEXURE TO SEPARATE AUDIT REPORT 2008 - 09

1.	Adequacy of Internal Audit System	The APERC appointed M/s.Ramachandram & Co, Chartered Accountant, Hyderabad as internal auditor w.e.f. 01-04-2007. So far no report has been received by the Commission.
2.	Adequacy of Internal Control system	The internal control system is adequate.
3.	System of Physical Verification of Fixed Assets	There was proper system of physical verification of assets.
4.	Regulatory in payment of statutory dues applicable to them	Unit is regular in payment of Statutory dues applicable to them.
5.	Delay in remittances of receipts into Government account.	The APERC delays in remittance of the receipts into government account.

Sd/-
Sr. Audit Officer/ES - II (Power)

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

Receipts	Current Year 2008-09	Previous Year 2007-08	Payments	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.		Rs.	Rs.
To Balance b/d			By Pay & Allowances to Chairman & Members		
a) Cash at Bank			a) Salaries	1852029	2150666.00
State Bank of India	20611146	18093763.94	b) Other Benefits		
Indian Overseas Bank	402098	4001525.40	Water Charges	12642	18659.00
b) Cash on Hand	10269	10036.00	Electricity Charges	60789	68803.00
To Grants-in-Aid			Leased Accommodation	371763	380233.00
a) Towards Revenue A/c	50117000	40062000.00	Security Guards Charges	62300	17768.00
b) Towards Capital A/c			Newspaper Charges	6996	9790.00
To Licence Fee	57149902	50681648.60	Perquisites Tax	279852	477195.00
To Licence Exemption Fee	1263239		c) Transfer TA	66771	0.00
To Loans			d) Travelling Expenses		
a) From Govt.			i) Overseas	0	0.00
b) From Others Specify			ii) Domestic	291892	671363.00
To Sales			By Pension and Retirement Benefits	904723	518442.00
a) Sale of Publications			By Pay & Allowances to Officers and Staff		
b) Sale of Assets	162340	50351.00	a) Salaries	27293763	17627437.00
c) Sale of Tender Documents			b) Wages	1173425	1164226.00
d) Sale of Investments			c) Other Benefits		
To Interest Income			Newspaper Charges	8061	8722.00
a) Interest on Investments			Transfer TA	0	103901.00
b) Interest on Deposits	536371	1110680.00	d) Travelling Expenses		
To Recoveries towards Loans & Advances			i) Overseas		
a) Principal	432975	452885.00	ii) Domestic	167346	400080.00
b) Interest		7528.00	e) Over Time		
To Recoveries for Remittance			f) Honorarium by hiring of Man Power		
a) Income Tax	8101	14721.00	By Office Expenses		
b) Salary Recoveries	57235		a) Printing & Stationery	283356	333652.00
To Miscellaneous Receipts			b) Publication Expenses		
a) Sale of Tariff Order	11040	78860.00	c) Postage & Telegram Charges	40238	30373.00
b) Recruitment Fee	6000	0.00	d) Telephone Charges	1057136	841320.00
c) Miscellaneous	27591	15918.00	e) Electricity & Water Charges	1127564	1184599.00
d) Fee for Filing Petitions	4959500	246500.00	f) Insurance, Rents & Taxes	4432008	5065562.00
e) Temporary Advance	12100		g) POL	348396	283017.00
To Advance to Landlord		5333.00	By AMC & Other Miscellaneous Expenses	602006	574648.00
To Refund of Deposit by Life Water Security Pvt. Ltd.		1000.00	By Advertisement Expenses	2028768	1091440.00
To Refund of Temporary Advance by APTS		131871.00	By Training Expenses	110800	78674.00
			By Hiring of Private Vehicles	898015	990580.00
			By Payment of Professional and Special Services	3142627	3539330.00
			By Subscription & Membership	238260	192170.00
			By Hospitality Charges	135777	209824.00

Receipts	Current Year 2008-09	Previous Year 2007-08	Payments	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.		Rs.	Rs.
			By Receipts remitted to Government of AP A/c	60450000	54680000.00
			By Audit Fee	52155	0.00
			By <u>Repairs & Maintenance</u>		
			a) Buildings		
			b) Vehicles	115709	51882.00
			By <u>Capital Expenditure</u>		
			Office Vehicles	1604793	0.00
			Furniture (Office)	125264	0.00
			Computers	55750	32492.00
			Air-Conditioners	20500	0.00
			Books	0	0.00
			Miscellaneous Assets	69840	0.00
			<u>Furniture (Commissioners)</u>		
			Annexure-I	20391	0.00
			Annexure-II	289551	0.00
			By <u>Deposits</u>		
			a) Telephones	2000	6000.00
			b) Advance to Leased Premises	164700	
			c) Temporary Advance		96260.00
			d) Traveling Allowance Advance	18600	0.00
			e) EMDs	77194	0.00
			By <u>Banker Charges</u>		
			a) Interest		
			b) Collection		
			c) Commission etc.,	0	0.00
			By Loans & Advances to Employees	625500	1042000.00
			By <u>Repayment of Loans</u>		
			a) Government		
			b) Others		
			By I.Tax & Other Recoveries Remitted to Govt. A/c	78885	
			By Transfer to Receipts A/c	0	0.00
			By <u>Closing Balances</u>		
			a) Cash on Hand	57900	10269.00
			b) <u>Cash at Bank</u>		
			State Bank of India	21494093	20611145.94
			Indian Overseas Bank	3446779	402098.00
Total	135766907	114964620.94	Total	135766907	114964620.94

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

Expenditure	Schedule	Current Year 2008-09	Previous Year 2007-08	Income	Schedule	Current Year 2008-09	Previous Year 2007-08
		Rs.	Rs.			Rs.	Rs.
To Salaries	A	29189597	20322495.00	<u>By Grants-in-Aid</u>			
To Travelling Expenses	B	486885	1178828.00	a) For Salaries		29404000	19444000.00
To Retirement Benefits	C	904723	518442.00	b) Other Revenue Grants-in-aid		20713000	20618000.00
To Wages				By Profit on Sale of Assets/Investments		43602	
To Overtime				By Excess of Expenditure Over Income (Transferred to Capital Account)			3716978.28
To Training Expenses		110800	78674.00				
To Hiring of Man Power		1066189	1147047.00	Capital Work in Progress			
To Office Expenses	D	9297144	12170646.99	Investments			
To Repairs and Maintenance		115709	51882.00	Deposits and Advances			
To Staff Welfare Expenses		0	0.00	Loans and Advances to Staff			
To Loss on Sale of Assets/ Investments		0	122230.29	Accounts Receivable			
To Advertisement Expenses		2028768	1091440.00	Other Current Assets			
To Depreciation	E	2327374	3064922.00	Cash and Bank Balances			
To Bad Debts Written off		0	0.00				
To <u>Provisions for Outstanding Expenses</u>							
Salaries		2458487	813598.00				
Travelling Expenses		32253	39124.00				
Office Expenses		1034802	3060394.00				
Pension & Other Benefits		12805					
Hiring of Manpower		103488	19255.00				
Audit Fee		100000	100000.00				
To Excess of Income over Expenditure (Transferred to Capital Account)		891578					
Total		50160602	43778978.28	Total		50160602	43778978.28

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
BALANCE SHEET AS ON 31st MARCH, 2009

Liabilities	Schedule	Current Year 2008-09	Previous Year 2007-08	Assets	Schedule	Current Year 2008-09	Previous Year 2007-08
		Rs.	Rs.			Rs.	Rs.
Funds				Fixed Assets	E		
a) Capital Funds		24001357	27718335.66	Gross Block		25021376	22885649.62
Add: Excess of Income Over Expenditure		891578		Less: Depreciation	(-)	18378204	15988153.95
b) Capital Grants				Net Block		6643172	6897495.67
Less: Excess of Expenditure Over Income			3716978.28				
		24892935	24001357.38				
Reserves				Capital Work in Progress	E		
Loans From:	L			Investments	F		
a) Government				Deposits and Advances	G	388960	288420.00
b) From Others				Loans and Advances to Staff	H	2456294	2263769.00
<u>Current Liabilities and Provisions</u>				Accounts Receivable	I		
Due to Government (Receipts)		5624175	2132492.00	Other Current Assets	J		
EMD			77194.00	Cash and Bank Balances	K	24998772	21023512.94
<u>Provisions for Outstanding Expenses</u>							
Salaries		2458487	813598.00				
Travelling Expenses		32253	39124.00				
Office Expenses		1034802	3060394.00				
Hiring of Manpower		103488	107236.00				
Payment to SCCL (infra)		12917	12917.23				
Due to Income Tax Dept.		8101	78885.00				
Pension & Other Benefits		12805					
Recoveries towards Salary Deductions		57235					
Audit Fee		250000	150000.00				
Total		34487198	30473197.61	Total		34487198	30473197.61

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2008-09**

Schedule-A

Salaries	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Salaries to Chairman & Members	1852029	2150666
Salaries to Officers & Staff	27293763	17627437
Other benefits to Chairman & Members	849342	972448
Other benefits to Officers & Staff	8061	8722
Total	30003195	20759273
LESS: Pertaining to Previous Year	813598	436778
Balance	29189597	20322495
ADD: Outstanding Liabilities for Current Year	2458487	813598
TOTAL	31648084	21136093

Schedule-B

Particulars	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Travelling Allowances to Chairman & Members		
a) Overseas	0	0
b) Domestic	291892	683763
Travelling Allowances to Officers & Staff		
a) Overseas	0	0
b) Domestic	167346	403080
Transfer T.A.	66771	103901
Total	526009	1190744
LESS: Pertaining to Previous Year	39124	11916
Balance	486885	1178828
ADD: Outstanding for Current Year	32253	39124
TOTAL	519138	1217952

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2008-09**

Schedule-C

Retirement benefits	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Contribution to Provident Fund		
Pension	904723	518442
Gratuity	0	0
Other benefits	0	0
Total	904723	518442
LESS: Pertaining to Previous Year	0	0
Balance	904723	518442
ADD: Outstanding for Current Year	12805	0
Total	917528	518442

Schedule-D

Office Expenses	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Printing & Stationery	283356	383652.00
Postage & Telegram Charges	40238	30373.00
Telephone Charges	1057136	841320.00
Electricity & Water Charges	1127564	1184849.00
Insurance, Rents & Taxes	4432008	5120229.00
POL	348396	297982.99
Other Miscellaneous Expenditure	602006	574648.00
Hiring of Private Vehicles	898015	990580.00
Payment of Professional & Special Services	31426727	3539330.00
Subscription & Membership	238260	192170.00
Hospitality Charges	135777	209824.00
Computer Stationery (APTS)	52155	0.00
Total	12357538	13364957.99
LESS: Pertaining to Previous Year	3060394	1194311.00
Balance	9297144	12170646.99
ADD: Outstanding for Current Year	1034802	3060394.00
	10331946	15231040.99

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2008-09**

Schedule-E

Name of the Asset	Gross Block				As on 01-04-2008	Rate of Depreciation	Depreciation			As on 31-03-2009 (B)	Net Block (A) - (B)	
	Original cost	Additions during the year 2008-09	Deductions	Cost as on 31-03-2009 (A)			Existing stock	For the year 2008-09	Current year's stock			Adjustments
	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.			Rs.
Cars	1497341	1604793	766186	2335948	772308	9.50%	118716	76019	686150	280893	2055055	
Furniture (Office)	2441324	125264		2566588	1095603	6.33%	154536	2678		1252817	1313771	
Furniture (Commissioners)												
Annexure-I	0	20391		20391	0	50.00%	0	4078		4078	16313	
Annexure-II	215705	289551	83369	421887	76573	15.00%	16836	21453	50367	64495	357392	
Computers	5031757	55750		5087507	4904301	16.21%	127456	2590		5034347	53160	
Software	1996080			1996080	1350689	20.00%	202726			1553415	442665	
Projector	83232			83232	25949	16.21%	13492			39441	43791	
Air-Conditioners	1973818	20500		1994318	482106	4.75%	93756	442		576304	1418014	
Stabilizers	73200			73200	28159	4.75%	3477			31636	41564	
Fax/Frinking Machine	58500			58500	24324	4.75%	2779			27103	31397	
Type Writer	10375			10375	4314	4.75%	493			4807	5568	
Water Cooler	20746			20746	8660	4.75%	985			9645	11101	
Ceiling Fans	76908			76908	24065	4.75%	3653			27718	49190	
Refrigerator	14990			14990	5933	4.75%	712			6645	8345	
Modi Xerox	146090			146090	56379	4.75%	6939			63318	82772	
Books	398331			398331	356741	15.00%	41590			398331	0	
EPABX	232619			232619	92076	4.75%	11049			103125	129494	
Public Address System	187965			187965	157958	16.21%	30007			187965	0	
Wooden Partition	684968			684968	642856	16.21%	42112			684968	0	
Court Hall Furniture	309630			309630	168233	6.33%	19600			187833	121797	
M.S. and Ceiling Mount Kit	45795			45795	34022	16.21%	7423			41445	4350	
Infrastructure	7862917			7862917	6372895	16.21%	1274579			7647474	215443	
Frinking Machine	59280			59280	12437	4.75%	2816			15253	44027	
100 mbps Switches	89000			89000	62517	16.21%	14427			76944	12056	
Televisions	0	69840		69840	0	16.21%	0	1706		1706	68134	
Servers 2 Nos	174271			174271	28249	16.21%	28249			56498	117773	
Total	23684842	2186089	849555	25021376	16787347		2218408	108966	736517	18378204	6643172	

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2008-09**

Schedule-G

Deposits and Advances	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Deposits with Government	0	0
Deposits with Private parties	0	0
Advances to Government & Government Companies	0	0
<u>Advances to Others</u>		
Telephone Deposits	110760	113320
Tata Cellular Deposits	31000	41000
Advance for Leased Accommodation	164700	55000
LPG Refill Deposit	0	3100
Milk (APDDCF Ltd.)	1000	1000
T.A. Advance	18600	0
Temp. Advance	62900	75000
Total	388960	288420

Schedule-H

Loans & Advances	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Loans and Advances to Employees	2456294	2263769
Loans and Advances to Contractors	0	0
Other Loans & Advances	0	0
Total	2456294	2263769

Schedule-K

Cash and Bank balances	Current Year 2008-09	Previous Year 2007-08
	Rs.	Rs.
Cash on Hand	47900	269.00
Imprest	10000	10000.00
Balance with Banks		
State Bank of India	21494093	20611145.94
Indian Overseas Bank	3446779	402098.00
Total	24998772	21023512.94

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2008-09**

Depreciation on assets has been calculated as detailed below:

Depreciation calculated on Fixed assets in Straight Line Method as per the rates prescribed in the Schedule XIV of the Companies Act, 1956

SL.No.	Name of the Asset	Rate of Depreciation
1	Office Vehicles	9.5%
2	Furniture (Office)	6.33%
3	Computers	16.21%
4	Stabilizers	4.75%
5	Air-Conditioners	4.75%
6	Refrigerator	4.75%
7	Ceiling Fans	4.75%
8	Fax Machine	4.75%
9	Typewriter	4.75%
10	Water Cooler	4.75%
11	Modi Xerox	4.75%
12	Books	15%
13	Software	20%
14	EPABX	4.75%
15	Projector	16.21%
16	Cell Phones	100%

Depreciation worked out on the furniture provided to the residences of Commissioners as per the rates prescribed in the Service Conditions of the High Court Judges.

Annexure - I 50% (SLM) (Straight Line Method)
Annexure - II 15% (WDM) (Written Down Value Method)

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
NOTES ON ACCOUNTS 2008-09**

- 1) The Accounts of the Commission are prepared on accrual basis except for stamps, stationery and other petty expenses.
- 2) Depreciation on the assets of the Commission (excluding the furnishing articles provided to the residences of the Chairman and Members of the Commission) is provided at the SLM rates specified in schedule XIV to the Companies Act, 1956.
- 3) Depreciation on the Furnishing Articles supplied to the Chairman and Members of the Commission is provided at 50 percent on SLM in respect of articles falling under Annexure I and 15 percent on WDV method in respect of articles specified in Annexure II in line with High Court Judges (Writing off, selling and utilization of Furnishing Articles) Rules, 1990.
- 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) No retirement benefit fund has been created to meet the future liability of the pensionary benefits of the employees of the Commission because the SERC fund as envisaged in the Electricity Act, 2003 was not constituted and the funds are being provided by the Government from its Annual budget.
- 6) The Commission has received Grants-in-Aid towards Salaries and Other Grants-in-Aid, for which one bank account is operated and the entire expenditure of the Commission will be met from that bank account and 'Excess of income over expenditure' or 'Excess of expenditure over income' may be treated as Capital Fund.
- 7) All the assets shown in the balance sheet have been created from the Other grants-in-aid received from the Government.

(BY ORDER OF THE COMMISSION)

Sd/-
M.D.Manohar Raju
Commission Secretary