



**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

**11th ANNUAL REPORT
2009-10**

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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
APER Act	Andhra Pradesh Electricity Reform Act, 1998
APERC	Andhra Pradesh Electricity Regulatory Commission
APGPCL	Andhra Pradesh Gas Power Corporation Limited
APNPDCL	Northern Power Distribution Company of Andhra Pradesh Limited
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
CC	Current Consumption
CENPEID	Center For Power Efficiency in Distribution
CERC	Central Electricity Regulatory Commission
CGRF	Consumer Grievance Redressal Forum
CIRE	Central Institute for Rural Electrification
CMD	Chairman & Managing Director/ Contracted Maximum Demand
CoD	Date of Commercial Operation
Cr.	Crore
Discom	Distribution Company
EA	The Electricity Act, 2003
EGoM	Empowered Group of Ministers
FOIR	Forum of Indian Regulators
FOR	Forum Of Regulators
G.O.	Government Order
GCV	Gross Calorific Value
GIS	Geographic Information System
GoAP	Government of Andhra Pradesh
GPS	Global Positioning System
GTCS	General Terms & Conditions of Supply
HP	Horse Power
HRD	Human Resource Development
HT	High Tension
HVDS	High Voltage Distribution System
I.A.	Interlocutory Application
IIBM	International Institute of Business Management
InWEA	Indian Wind Energy Association
IT	Information Technology
JBIC	Japan Bank of International Cooperation
JMD	Joint Managing Director
KTPP	Kakatiya Thermal Power Plant
kV	Kilo-Volt

kVA	Kilo-Volt-Ampere
kW	Kilo-Watt
kWh	Kilo-Watt-hour
LAN	Local Area Network
LDCs	Load Despatch Centres
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LSHS	Low Sulphur Heavy Stock
LT	Low Tension
MDO	Mandal Development Office
MMSCMD	Million Metric Standard Cubic Metres per Day
MRO	Mandal Revenue Office
MW	Mega Watt
MYT	Multi-Year-Tariff
NCE	Non-Conventional Energy
NGO	Non-Government Organization
NVD	Neutral Voltage Displacement
O.P.	Original Petition
PFT	Proposal For Tariff
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PPP	Planning & Power Procurement
PWS	Public Water Scheme
QoS	Quality of Service
R.P.	Review Petition
RE	Renewable Energy
REC	Renewable Energy Certificate
RESCO	Rural Electric Supply Cooperative Society
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RMD	Recorded Maximum Demand
RoE	Return on Equity
Rs.	Indian Rupees
RTI	Right to Information
RTPP	Rayalaseema Thermal Power Plant
SAC	State Advisory Committee
SCCL	Singareni Collieries Company Limited
SERC	State Electricity Regulatory Commission
SERF	Southern Electricity Regulators Forum
SI	System Improvement
SLDC	State Load Despatch Centre
SLM	Straight Line Method
SMS	Short Message Service
SPIO	State Public Information Officer
SSLBPH	Sri Sailam Left Bank Power House
STU	State Transmission Utility
T.A.	Traveling Allowance
TAFA	Tariff Accounts & Financial Analysis
Temp.	Temporary
u/s	Under Section
VCB	Vacuum Circuit Breaker

VTPS	Vijayawada Thermal Power Station
VVI	Voltage Variation Index
W	Watt
WDM/WDA Method	Written Down Value Method
WISE	World Institute of Sustainable Energy
www	World Wide Web

EXECUTIVE SUMMARY

The Andhra Pradesh Electricity Regulatory Commission presents the Annual Report for the eleventh functional financial year ended 31st March, 2010 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 2009-10 are:

- i) **Licences/Exemptions:** The Commission in its order dated 26.05.2009 in O.P. No.2 of 1999 has granted exemption for the requirement of having an electricity supply licence u/s 16 of the Andhra Pradesh Electricity Reform Act, 1998 to M/s RVK Energy (P) Ltd., Hyderabad from the date of application (i.e., 20.09.1999) till 09.06.2003.
- ii) No regulation was notified during 2009-10
- iii) The number of petitions/applications disposed by the Commission is as given below:

Sl. No.	Petitions	Disposed
1)	Original Petitions	19 Nos including 3 Nos.in admission stage
2)	Review Petitions	2 Nos both in admission stage
3)	Interlocutory Applications	16 Nos

- iv) During the year 2009-10, the Commission accorded approval for various Transmission Investment Schemes of total value Rs 693.70 crore proposed by APTransco.
- v) The Commission conducted a meeting with the Discoms on 13.07.2009 and reviewed the following items:
 - Distribution losses
 - DTR failures
 - Power supply to agriculture consumers
 - Segregation of agricultural feeders and provision to extend 24-hour supply to villages
 - Investments - Implementation of RGGVY, HVDS and APDRP schemes
 - Standards of Performance (SoP)
 - Consumer metering - DTR metering and Energy Audit
 - Billing and Revenue Collection
- vi) The Commission approved methodology for computation of Load Factor Incentive and Discoms were directed to follow the methodology vide Lr.No.APERC/E-205/DD-Dist/2009, dated 29.04.2009. Further, Discoms were directed vide letter No.APERC/E-205/DD-Dist/2009, dated 22.12.2009 to use the overall Load Factor as guidance for giving incentive.
- vii) The Commission issued orders on 11.05.2009 in O.P. No.6 of 2009 (suo-moto) and O.P. No.7 of 2009 in the matter of determination of Tariff/Power Purchase Price in respect of "New Wind Based Power Projects.
- viii) The Commission vide Lr.No.APERC/E-223/DD-Dist/2009, dated 15.10.2009 has issued certain clarifications with regard to implementation General Terms & Conditions of Supply (GTCS) provisions

in case of de-ration of Contract Demand.

- ix) **Retail Supply Tariff Order for FY 2009-10** dated 22.03.2009:
- a) The Commission Passed consequential orders on 25.08.2009 in O.P. Nos. 17 to 20 of 2008 to the Retail Supply Tariff order for FY 2009-10 dated 22.03.2009 in the matter of energy tariff for power supply to agricultural connections under tatkal services for FY 2009-10 as Nil (instead of Rs.20/kWh as specified in the Tariff Order) as GoAP shall pay Rs.7.49 crore as additional subsidy for FY 2009-10 u/s 65 of the Electricity Act, 2003.
 - b) The Commission vide letter No.APERC/Secy/E-205/Engg/2009, dated 17.09.2009 has issued clarification that the heading of column 1 in para 6 of General Conditions of HT Supply of Annexure-D to be interpreted as RMD as a percentage of CMD, for calculation of additional charges for maximum demand in excess of the Contracted Demand.
 - c) The Commission issued interim orders vide proceedings No.Secy/01/2010 dated 25.03.2010 that the Retail Supply Tariff for FY 2009-10 will continue to apply on provisional basis for the first four months of FY 2010-11 or till the Tariff Order for FY 2010-11 is made effective, whichever is earlier.
- x) 13th meeting of State Advisory Committee was held on 27.11.2009
- xi) The Commission passed orders on 30.03.2010 in O.P. No.40 of 2009 in the matter of approval of format for Power Purchase Agreement (PPA) and guidelines on Power Evacuation from Wind Power Projects in Andhra Pradesh.

CHAPTER-I ORGANISATIONAL SETUP & ADMINISTRATION

1.1 The Commission:

1.1.1 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.

1.1.2 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.

1.1.3 During the financial year 2009-10, *Sri A.Raghotham Rao*, rendered his service as Chairman, *Sri C.R.Sekhar Reddy*, rendered his service as Member (Finance) and *Sri R.Radha Kishen*, rendered his service as Member (Technical) 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:**

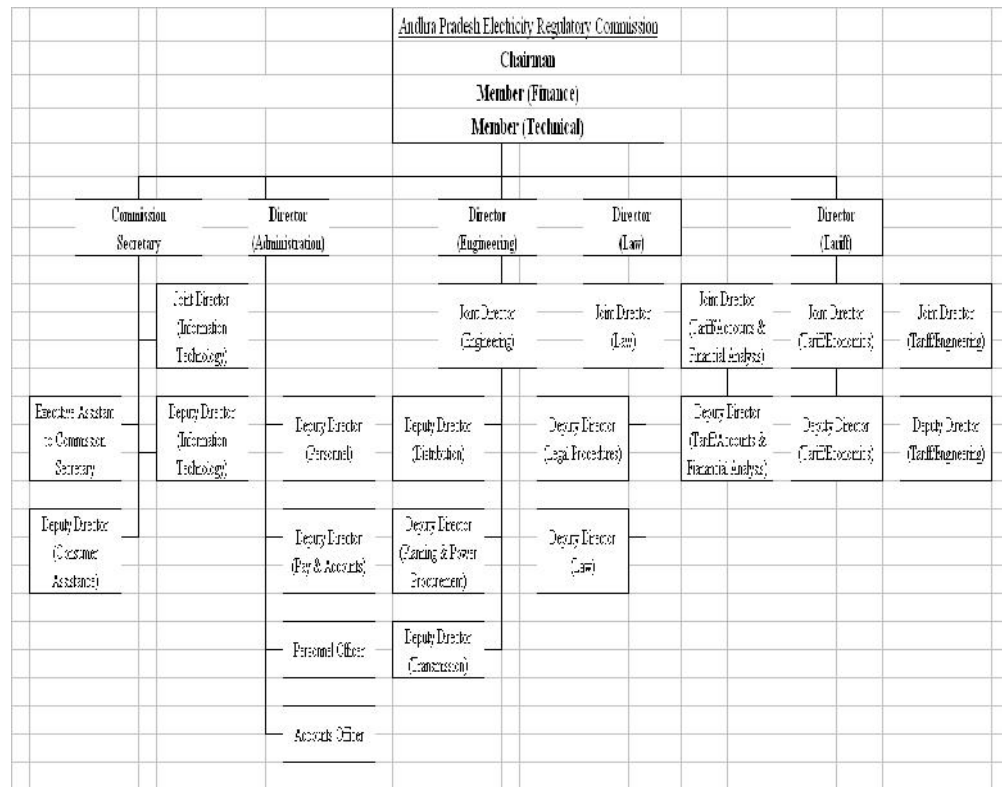
- 1.3.1 **Office Building:** The Commission has its office at rented premises at 11-4-660, 4th & 5th Floors, Singareni Bhavan, Red Hills, Hyderabad 500004 with court hall for conducting hearings on petitions and appeals, conference hall for conducting meetings and library for access of records, information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



1.5 Staffing Position:

1.5.1 54 personnel are in position as on 31.03.2010 as against the sanctioned strength of 81, the Staffing position as on 31.03.2010 is as given below:

Sl. No.	Name of the Employee S/Sri/Smt.	Designation
1	M.Ravindra Sai	Commission Secretary
2	K.Sanjeevarao Naidu	Director/Law

Sl. No.	Name of the Employee S/Sri/Smt.	Designation
3	P.V.Subrahmanyam	Director/Engineering
4	C.Ramakrishna	Director/Administration
5	Umakanta Panda	Joint Director/Information Technology
6	Dr. P.Rama Rao	Deputy Director/Tariff (Economics)
7	Dr. A.Srinivas	Deputy Director/Legal Procedure
8	P.Solomon Herme	Deputy Director/Planning & Power Procurement
9	K.Sreedhar Reddy	Deputy Director/Engineering
10	N.Nagaraj	Deputy Director/Law
11	P.Sarada	Deputy Director/Information Technology
12	N.Bhanu Prakash	Deputy Director/Personnel
13	P.Visweswara Sastry	Deputy Director/Pay & Accounts
14	A.V.L.K.Jagannadha Sarma	Deputy Director/Transmission
15	K.Hari Prasad	Deputy Director/Tariff (Accounts & Financial Analysis)
16	Anataryami Sahoo	Deputy Director/Tariff (Engineering)
17	K.Vijaya Kumar	Deputy Director/Consumer Assistance
18	B.Ramesh Babu	Accounts Officer
19	S.Rajender	Private Secretary
20	S.Vilma Samuel	Private Secretary
21	P.Lakshmi Kantamma	Junior Personnel Officer
22	G.V.R.Yohendra Rao	Security Officer
23	P.V.Suryanarayana Rao	Steno-cum-computer Operator
24	V.Sarada	Steno-cum-computer Operator
25	N.Sasikala	Steno-cum-computer Operator
26	P.V.Padmaja	Steno-cum-computer Operator
27	A.Lakshman Kumar	Steno-cum-computer Operator
28	H.G.Geetha	Librarian
29	R.Jayasree	Clerk-cum-computer operator
30	M.B.A.S.T.Sai	Clerk-cum-computer operator
31	B.Durga Prasad	Clerk-cum-computer operator
32	P.Amarnath	Clerk-cum-computer operator
33	G.Nataraju	Clerk-cum-computer operator
34	P.V.L.Sailaja	Clerk-cum-computer operator
35	P.Vijaya Lakshmi	Clerk-cum-computer operator
36	V.M.V.R.S.Sridhar	Personal Assistant
37	G.Surya Kumari	Personal Assistant
38	I.Usha Rani	Telephone Operator
39	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

Sl. No.	Name of the Employee S/Sri/Smt.	Designation
46	P.Anil Chand	Office Subordinate
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 2009-10 is as given below:

Sl. No	Name of the Employee & Designation S/Sri	Details of the Program		
		Programme Name	Course Duration	Conducted By
1	M.Ravindra Sai, Commission Secretary	Finance & Economics for Regulatory Commission	14-18, Dec 2009	IIBM, Bangalore
2	P.V.Subrahmanyam, Director (Engg)	Capacity Building Programme	03-08, Aug 2009	FOR, New Delhi
		Perform, Achieve and Trade Scheme (PAT)	26, Oct 2009	CERC, New Delhi
3	Dr. P.Rama Rao, Dy. Director (TEC)	Tariff Philosophy and Regulatory Practices, Issues and Challenges	24-28 Aug, 2009	ESCI, Hyderabad
		Finance & Economics for Regulatory Commission	14-18, Dec 2009	IIBM, Bangalore
		Regulatory & Policy Frame work for market development for Renewable Energy	24-26 Feb 2010	WISE, Pune
3	A.V.L.K.Jagannatha Sharma, Dy. Director (Transmission)	Power Transmission in India	14-15, May 2009	Power Line, New Delhi
		Open Access, role of LDCs and Power Markets	04-07, Nov 2009	NTPI, Faridabad
4	K.Hari Prasad, Dy. Director (TAFA)	Regulation, competition and Consumer protection issues	18-21, May 2009	FOR, New Delhi

Sl. No	Name of the Employee & Designation S/Sri	Details of the Program		
		Program Name	Course Duration	Conducted By
5	K.Vijay Kumar, Dy. Director (CA)	Change Management in Power Distribution	22-26, Jun 2009	CENPEID, New Delhi
6	P.Solomon Herme, Dy. Director (PPP)	Solar Power in India	24-25, Jun 2009	Power Line, New Delhi
		Renewable Energy Regulation India 2010	4-5, Feb 2010	Power Line, New Delhi
		Regulatory & Policy Frame work for market development for Renewable Energy	25-26, Feb 2010	WISE, Pune
7	N.Nagaraj, Dy. Director (Law)	Power Purchase Agreement	13-17, Jul 2009	CIRE, Hyderabad
8	Antaryami Sahoo, Dy. Director (T-Engg)	Regulatory & Policy Frame work for market development for Renewable Energy	24-26, Feb 2010	WISE, Pune

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)	Orientation Programme held at IIM, Ahmedabad and at London	29 th May, 2009 to 7 th June, 2009	Sri A.Raghotham Rao, Chairman Sri R.Radha Kishen, Member
2)	12 th Meeting of FOR at New Delhi	11 th -12 th Jun, 2009	Sri A.Raghotham Rao, Chairman
3)	14 th Meeting of FOR at New Delhi	4 th Sep, 2009	Sri A.Raghotham Rao, Chairman
4)	16 th Meeting of FOR at Lucknow	1 st Feb, 2010	Sri A.Raghotham Rao, Chairman

1.8 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)	10 th Annual General Body Meeting at New Delhi	11 th Jun, 2009	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 2009-10.

2.2 Exemptions:

The Commission in its order dated 26.05.2009 in O.P. No.2 of 1999 has granted exemption for the requirement of having an electricity supply licence u/s 16 of the Andhra Pradesh Electricity Reform Act, 1998 to M/s RVK Energy (P) Ltd., Hyderabad from the date of application (i.e., 20.09.1999) till 09.06.2003.

2.3 Monitoring the Licensees' Performance:

2.3.1 The Commission conducted a meeting with the Discoms on 13.07.2009 and reviewed the following items:

- Distribution losses
- DTR failures
- Power supply to agriculture consumers
- Segregation of agricultural feeders and provision to extend 24-hour supply to villages
- Investments - Implementation of RGGVY, HVDS and APDRP schemes
- Standards of Performance (SoP)
- Consumer metering - DTR metering and Energy Audit
- Billing and Revenue Collection

2.3.2 The Commission conducted the review meeting at respective Licensees headquarters on the dates as given below:

Sl. No.	Licensee	Date
1)	APSPDCL	14.10.2009
2)	APEPDCL	20.10.2009
3)	APNPDCL	22.10.2009
4)	APTRANSCO	26.10.2009
5)	APCPDCL	29.10.2009

2.3.3 The Commission has conducted review meeting on the status of compliance of the directives with the Discoms on 05.01.2010 and with the APTransco on 06.01.2010.

2.4 Investment approval - Transmission schemes:

The Commission approved the investment of Rs.693.70 crore during the year 2009-10 in the following schemes proposed by APTransco:

Sl. No.	Scheme Name	Sanction No.	Estimated Cost (Rs. crore)
1	Investment proposal for erection of 132 kV Interlinking Lines to 400/220/132 kV Gajwel Substation-for down stream evacuation of power	APT/TS/132/Lines/F-INVST-01/2010	10.0

Sl. No.	Scheme Name	Sanction No.	Estimated Cost (Rs. crore)
2	Investment proposal for erection of 2 nd Circuit stringing on existing 220 kV Budidampadu -Miryalaguda Line	APT/TS/220/Lines/F-INVST-02/2010	11.0
3	Investment proposal Augmentation of Power Transformer Capacities in 220 & 132 kV Substations	APT/TS/PTR-Aug/F-INVST-03/2010	358.32
4	Investment proposal for erecting of 220/132 kV Substation at Nagari in Chittoor Dist.	APT/TS/220/132kV-Nagari/F-INVST-04/2010	37.38
5	Investment proposal for creation of evacuation system for KTPS Stage VI	APT/TS/KTPS-VI-400kV Evacuation /F-INVST-05/2010	108.59
6	Investment proposal for erecting of 220/132 kV Substation at Rachaganneri in Chittoor Dist.	APT/TS/220/132kV-Rachaganneri/F-INVST-06/2010	34.16
7	Erection of 132/33 kV substation at Mudigedu in Kurnool Dist. along with associated 132 kV transmission line	APT/TS/132kV SS-Kothapeta/F-INVST-07/2010	11.88
8	132kV Kalwasrerampur	APT/TS/132kV SS-K. Srirampur/F-INVST-08/2010	9
9	Dirsincherla	APT/TS/132kV SS-Dirsincherla/F-INVST-09/2010	8.8
10	132/33 kV Substation at Mudhole -Adilabad Dist.	APT/TS/132kV SS-Mudhole/F-INVST-10/2010	12.235
11	132/33 kV Substation at Pedda Shankarampet, Medak Dist.	APT/TS/132kV SS-P. Shakrmpet/F-INVST-11/2010	9.633
12	132/33 kV Substation at Duvvuru-Kadapa Dist.	APT/TS/132kV SS-P. Duvvurut/F-INVST-12/2010	16.385
13	132/33 kV Substation at Mulkanoor-Karimnagar Dist.	APT/TS/132kV SS-Mulaknoor/F-INVST-13/2010	12.51
14	132/33 kV Substation at Lingala, YSR Kadapa Dist.	APT/TS/132kV SS-Lingala/F-INVST-14/2010	9.533
15	132/33 kV Substation at Tumki Bolarm, Medak Dist.)	APT/TS/132kV SS-T-Bolaram/F-INVST-15/2010	14.93
16	132/33 kV Substation at Penugonda -West Godavari Dist.	APT/TS/132kV SS-Penugonda/F-INVST-16/2010	9.06
17	132/33 kV Substation at Guntipally - Nalgonda Dist.	APT/TS/132kV SS-Guntipally/F-INVST-17/2010	13.6
18	132 kV Line Gajuwaka - Naval Wharf - Diversion	APT/TS/132kV LnD-GWK-NWHRF/F-INVST-18/2010	6.66
Total			693.70

2.5 Power Purchase Agreements (PPAs):

2.5.1 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 Empee Power Company (India) Ltd.	20 MW	Bagasse	03.05.2009
2)	M/s Sri City Power Gem. (TN) Pvt, Ltd.	2.0 MW	PV Solar	17-05-2009
3)	M/s Solar Semi Conductor (P) Ltd.	2.0 MW	PV Solar	04.07.2009
4)	M/s Movva Power (P) Ltd.	2.0 MW	PV Solar	04.07.2009
5)	M/s Vikranth Energy (P) Ltd.	2.0 MW	PV Solar	04.07.2009
6)	M/s Kaandu Infrastructure Co. (P) Ltd.	2.0 MW	PV Solar	04.07.2009
7)	M/s Balaji Biomass Power (P) Ltd. (original PPA entered with M/s Greenko Energies Pvt. Ltd.	2.0 MW	PV Solar	07.07.2009
8)	M/s Sree Vani Sugars and Industries Ltd., changed name to M/s KBD Sugars & Distilleries Ltd.	6.0 MW	Bagasse	14.09.2009
9)	M/s Surya Teja Power Projects (P) Ltd.	6.0 MW	Biomass	09.12.2009
10)	M/s PSR Green Power Ltd.	6.0 MW	Industrial Waste	25.09.2010
11)	M/s Arts & Crafts Exports	0.8 MW	Wind	31.03.2010
12)	M/s S.Kumar	0.8 MW	Wind	31.03.2010
13)	M/s Mayura Steels (P) Ltd.	0.8 MW	Wind	31.03.2010
14)	M/s Compucom Software Ltd.	0.8 MW	Wind	31.03.2010
15)	M/s G.Shoe Export	0.8 MW	Wind	31.03.2010
16)	M/s Chandulal Surajmal	0.8 MW	Wind	31.03.2010
17)	M/s Shreem Capacitors (P) Ltd.	1.6 MW	Wind	31.03.2010
18)	M/s Meghana Associates	0.8 MW	Wind	31.03.2010
19)	M/s Orange Sorting Machines India (P) Ltd.	0.8 MW	Wind	31.03.2010
20)	M/s Siddaganga Oil Extractions (P) Ltd.	1.6 MW	Wind	31.03.2010
21)	M/s Nandi Roller Flour Mills (P) Ltd.	0.8 MW	Wind	31.03.2010

CHAPTER-III TARIFF

3.1 ARR filings of Discoms:

- 3.1.1 The wheeling tariffs were determined for the control period of 5 years, namely 2009 to 2014. However as regards the determination of retail supply tariff for the 5 year control period, the Licensee expressed its inability to make a filing for retail supply business for a period of 5 years from 2009-10 to 2013-14 as per MYT scheme and instead sought the approval of the commission to file ARR and Proposal for Tariff (PFT) for the year 2009-10 only. The same was permitted by the Commission and accordingly the filings were made and the retail supply distribution tariff was determined for the year FY 2009-10 as per tariff Order dated 20.03.2009.
- 3.1.2 For Financial year 2010-11 too, the Licensees referred to uncertainties surrounding the lift irrigation schemes, Policy uncertainties and the power purchase agreements that are pending finalization with a few generating stations. It was stated that in view of these circumstances, a reasonable prediction of their revenue requirement and sales cannot be made for the balance years till 2013-2014 to enable them to file ARR and tariff proposals for the remaining 4 years of control period at one go. They therefore sought permission of the Commission to allow them to submit their ARR and Tariff proposals for one year that is, for the year 2010-2011 only. The Commission permitted the Licensees to do so.

3.2 Delay in filing of ARR and passing of Interim tariff order:

- 3.2.1 The Licensees were to file their annual ARR and tariff proposals for the year 2010-11 by 30th November, 2009 so that 120 days are available to the ERC as per statute to determine and approve the tariff structure for the financial year 2010-11 commencing on 01-04-2010. The Licensees, however could not file the ARR and tariff proposals in time due to a number of uncertainties and they sought several extensions of time from the Commission vide their letters dated 30.11.2009, 15.12.2009, 31.12.2009, 30.01.2010, 15.02.2010, 02.03.2010, 31.03.2010. In the last extension letter, time was sought up to 30.04.2010. These requests were allowed.
- 3.2.2 In the meanwhile, as the previously approved tariff order was valid till 31.03.2010 only, the Licensees sought an interim order to permit them to continue to charge the consumers the same tariff that was charged in FY 2009-10. This interim order was sought for the period 01.04.2010 to 31.07.2010.
- 3.2.3 The estimated subsidy amount to be borne by the Government of Andhra Pradesh for these 4 months on account of maintaining the same level of tariff on sales to agriculture sector and other subsidized classes was communicated to the Government of AP by the Commission. The subsidy estimates were made on pro-rata basis for 4 months based on approved sales and tariffs applicable for the year 2009-2010. The Government of Andhra Pradesh gave its consent/commitment to provide the subsidy to the Licensees. The Commission accordingly passed an interim order on 25.03.2010 enabling the Licensees to charge the tariff as per the

FY 2009-10 tariff schedule till 31.07.2010 or till a new tariff order is issued by the Commission and becomes effective.

3.3 Retail Supply Tariff Order for FY 2009-10 dated 22.03.2009:

- 3.3.1 The Commission Passed consequential orders on 25.08.2009 in O.P. Nos. 17 to 20 of 2008 to the Retail Supply Tariff order for FY 2009-10 dated 22.03.2009 in the matter of energy tariff for power supply to agricultural connections under tatkal services for FY 2009-10 as Nil (instead of Rs.20/kWh as specified in the Tariff Order) as GoAP shall pay Rs.7.49 crore as additional subsidy for FY 2009-10 u/s 65 of the Electricity Act, 2003.
- 3.3.2 The Commission vide letter No.APERC/Secy/E-205/Engg/2009, dated 17.09.2009 has issued clarification that the heading of column 1 in para 6 of General Conditions of HT Supply of Annexure-D to be interpreted as RMD as a percentage of CMD, for calculation of additional charges for maximum demand in excess of the Contracted Demand.
- 3.3.3 The Commission vide proceedings No.Secy/01/2010 dated 25.03.2010 passed an interim orders that the Retail Supply Tariff for FY 2009-10 will continue to apply on provisional basis for the first four months of FY 2010-11 or till the Tariff Order for FY 2010-11 is made effective, whichever is earlier.

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.) admitted and disposed by the Commission during the year 2009-10 is as given below:

Sl. No.	Petitions	Admitted	Disposed
1)	Original Petitions	13 Nos	19 Nos including 3 Nos.in admission stage
2)	Review Petitions	8 Nos	2 Nos both in admission stage
3)	Interlocutory Applications	16 Nos	16 Nos
Total (2009-10)		37 Nos	37 Nos

4.1.2 The details of orders passed by the Commission during FY 2009-10 are as given below:

- i) Order dated 28.04.2009 in I.A. No.3 of 2009 in O.P. No.9 of 2009:
The Commission allowed the I.A. filed by M/s GVK Industries Ltd. Secunderabad u/s 94 of the Electricity Act, 2003 seeking interim orders permitting them to use RIL gas from KG basin, overriding the effect of the ceiling of gas price in clause 3.3 of existing PPA with four (4) Discoms (Respondents).
- ii) Order dated 28.04.2009 in I.A. No.4 of 2009 in O.P. No.10 of 2009:
The Commission allowed the I.A. filed by M/s Gautami Power Generation Ltd., Secunderabad u/s 94 of the Electricity Act, 2003 seeking interim orders permitting them to use RIL gas from KG basin, overriding the effect of the ceiling of gas price in clause 3.3 of existing PPA with four (4) Discoms (Respondents).
- iii) Order dated 28.04.2009 in I.A. No.5 of 2009 in O.P. No.11 of 2009:
The Commission allowed the I.A. filed by M/s Konaseema Gas Power Ltd., Hyderabad u/s 94 of the Electricity Act, 2003 seeking interim orders permitting them to use RIL gas from KG basin, overriding the effect of the ceiling of gas price in clause 3.3 of existing PPA with four (4) Discoms (Respondents).
- iv) Order dated 28.04.2009 in I.A. No.6 of 2009 in O.P. No.12 of 2009:
The Commission allowed the I.A. filed by M/s Vemagiri Power Generation Ltd., Bangalore u/s 94 of the Electricity Act, 2003 seeking interim orders permitting them to use RIL gas from KG basin, overriding the effect of the ceiling of gas price in clause 3.3 of existing PPA with four (4) Discoms (Respondents).
- v) Order dated 01.05.2009 in O.P. No.6 of 2009 (suo-moto) and O.P. No.7 of 2009: The Commission in exercise of the powers conferred u/s 62, 86(1)(a) and 86(1)(b) of the Electricity Act, 2003 issued orders in its Suo-moto petition duly tagging the petition filed by M/s Indian Wind Energy Association in the matter of determination of Tariff/Power Purchase Price in respect of "New Wind Based Power Projects (InWEA).

- vi) Order dated 04.05.2009 in O.P. (SR) No.14 of 2004: The Commission dismissed the petitions filed u/s 86 of the Electricity Act, 2003 by APTransco seeking reduction of rate of interest on working capital of M/s GVK Industries Ltd., Secunderabad (Respondent) to 11.6% and to allow the petitioner to pay future interest on the working capital (fixed charges) at 11.6% for the tariff year 20.06.2003 to 119.06.2003, as petitioner decided not to prosecute further proceedings in the matter subsequent to Hon'ble High Court disposed of W.P. No.7484/2004 filed by the Respondent, as withdrawn.
- vii) Order dated 04.05.2009 in O.P. (SR) No.17 of 2004: The Commission dismissed the petitions filed u/s 86 of the Electricity Act, 2003 by APTransco seeking reduction of rate of interest on working capital of M/s Spectrum Power Generation Ltd., Hyderabad (Respondent) to 13% based on letter of Indian Overseas Bank assuming that the respondent is in good credit standing and to allow the petitioner to pay future interest on the working capital (fixed charges) at 13% for the tariff year 20.06.2003 to 119.06.2003, as petitioner decided not to prosecute further proceedings in the matter subsequent to Hon'ble High Court disposed of W.P. No.8701/2004 filed by the Respondent, as withdrawn
- viii) Order dated 19.05.2009 in O.P. No.13 of 2009: The Commission allowed the petition filed By Dr. Reddy's Laboratories Ltd., Srikakulam and directed CMD, CGM (Expenditure), SAO (Operation)/Srikakulam and SE/Operation/Srikakulam of APEPDCL (Respondents) to calculate incentive on the basis the the Load Factor of the petitioner for the month of August, 2008 is more than 70% and that the petitioner is eligible for 25% incentive on the energy above 40%.
- ix) Order dated 26.05.2009 in O.P. No.2 of 1999: The Commission disposed petition (application dated 20.09.1999) filed by M/s RVK Energy (P) Ltd., Hyderabad, granting exemption for the requirement of having an electricity supply licence u/s 16 of the APER Act, 1998 from the date of application till 09.06.2003.
- x) Order dated 19.06.2009 in I.A. No.7 of 2009 in O.P. No.9 of 2009: The Commission allowed the I.A. filed by four (4) Discoms (First Party) in partial modification of earlier order passed on 28.04.2009 in I.A. No.3 of 2009 in O.P. No.9 of 2009, and permitted M/s GVK Industries Ltd., Secunderabad (Second Party) to utilize 1.1 MMSCMD of natural gas from Reliance D-6 fields at price approved by EGoM, Fol to produce energy at 100% PLF of the project for making the same available to First Party.
- xi) Order dated 19.06.2009 in I.A. No.8 of 2009 in O.P. No.10 of 2009: The Commission allowed the I.A. filed by four (4) Discoms (First Party) in partial modification of earlier order passed on 28.04.2009 in I.A. No.4 of 2009 in O.P. No.10 of 2009, and permitted M/s Gautami Power Generation Ltd., Secunderabad (Second Party) to utilize 2.3 MMSCMD of natural gas from Reliance D-6 fields at price approved by EGoM, Fol to produce energy at 100% PLF of the project for making the same available to 1st Party.

- xii) Order dated 19.06.2009 in I.A. No.9 of 2009 in O.P. No.11 of 2009: The Commission allowed the I.A. filed by four (4) Discoms (First Party) in partial modification of earlier order passed on 28.04.2009 in I.A. No.5 of 2009 in O.P. No.11 of 2009, and permitted M/s Konaseema Gas Power Ltd., Hyderabad (Second Party) to utilize 2.14 MMSCMD of natural gas from Reliance D-6 fields at price approved by EGOM, Fol to produce energy at 100% PLF of the project for making the same available to First Party.
- xiii) Order dated 19.06.2009 in I.A. No.10 of 2009 in O.P. No.12 of 2009: The Commission allowed the I.A. filed by four (4) Discoms (First Party) in partial modification of earlier order passed on 28.04.2009 in I.A. No.6 of 2009 in O.P. No.12 of 2009, and permitted M/s Vemagiri Power Generation Ltd., Bangalore (Second Party) to utilize 1.97 MMSCMD of natural gas from Reliance D-6 fields at price approved by EGOM, Fol to produce energy at 100% PLF of the project for making the same available to First Party.
- xiv) Order dated 27.06.2009 in O.P. No.26 of 2004: The Commission dismissed the petition filed u/s 86(1)(b) of the Electricity Act, 2003 read with Section 11(1)(a) and 11(1)(e) of APER Act, 1998 seeking deletion of the provision for usage of Naphtha or Low Sulphur Heavy Stock (LSHS) or Liquid Natural Gas (LNG) and the like as alternate fuel from the PPA entered with M/s Reliance Energy Ltd., Hyderabad (Respondent), as not pressed.
- xv) Order dated 18.08.2009 in I.A.No.11 of 2009 in O.P. No.9 of 2009: The Commission dismissed the I.A. filed u/s .94 by M/s GVK Industries Ltd., Secunderabad for sale of 20% of PPA capacity and any other capacity over and above PPA capacity to any third party, as is not entitled.
- xvi) Order dated 18.08.2009 in I.A.No.12 of 2009 in O.P. No.10 of 2009: The Commission dismissed the I.A. filed u/s .94 by M/s Gautami Power Ltd., Secunderabad for sale of 20% of PPA capacity and any other capacity over and above PPA capacity to any third party, as is not entitled.
- xvii) Order dated 18.08.2009 in I.A.No.13 of 2009 in O.P. No.11 of 2009: The Commission dismissed the I.A. filed u/s .94 by M/s Konaseema Gas Power Ltd., Hyderabad for sale of 20% of PPA capacity and any other capacity over and above PPA capacity to any third party, as is not entitled.
- xviii) Order dated 18.08.2009 in I.A.No.14 of 2009 in O.P. No.12 of 2009: The Commission dismissed the I.A. filed u/s .94 by M/s Vemagiri Power Generation Ltd., Bangalore for sale of 20% of PPA capacity and any other capacity over and above PPA capacity to any third party, as is not entitled.
- xix) Order dated 19.08.2009 in O.P. No.15 of 2008: The Commission dismissed the petition filed u/s 86(1)(f) and (k) of the Electricity Act, 2003 by M/s Sitapuram Power Ltd., Hyderabad and M/s Zuari Cement Ltd., Kadapa (Petitioners) for removal of difficulty in implementing certain provision of the Regulation No.2 of 2006, as there is no necessity.

- xx) Order dated 25.08.2009 in O.P. Nos.17 to 20 of 2008: The Commission passed consequential orders to the Retail Supply Tariff Order for FY 2009-10 dated 22.03.2009 in petitions filed by four (4) Discoms in the matter of Energy tariff for power supply to agricultural connections under tatkal services for FY 2009-10 is NIL (instead of Rs.20/kWh) as GoAP shall pay Rs.7.49 crore additional subsidy for FY 2009-10 u/s 65 of the Electricity Act, 2003 as detailed below:

Discom	Subsidy Payable by GoAP u/s 65 of EA (Rs. in Cr.)
APCPDCL	1.26
APEPDCL	1.04
APNPDCL	0.63
APSPDCL	4.56
Total	7.49

- xxi) Order dated 05.12.2009 in O.P. Nos.9 to 12 of 2009: The Commission rejects the request of the four (4) Discoms (First Party to the PPAs) for consent to the certain amendments proposed to the existing PPAs entered between the Discoms and IPPS viz., M/s GVK Industries Ltd., M/s Gauthami Power Ltd., M/s Konaseema EPS Oakwell Power Ltd., and M/s Vemagiri Power Generation Ltd., (Second Party to the PPAs) except to the extent of clause 3.3 (case ii) i.e., permission accorded by it in this context vide Commission orders dated 28.04.2009 and 19.06.2009.
- xxii) Order dated 26.02.2010 in I.A. No.16 of 2009 in O.P. No.15 of 2009: The Commission passed orders in I.A. filed u/s 94(2) of the Electricity Act, 2003 by M/s APGPCL, Hyderabad and directs the four (4) Discoms (Respondents) to pay APGPCL w.e.f. 01.04.2009, the following charges pending disposal of O.P. No.15 of 2009.
- Fixed charges for petitioner's generating stations as per Tariff Order dated 20.03.2009.
 - Fixed charges for VTPS-IV, KTPP and other new stations on proportionate basis depending upon the COD.
 - Payment of advance Income Tax on proof of payment.
 - Variable charges for thermal stations as per Annexure-E(iii) of the Tariff Order dated 20.03.2009, duly adjusted for the GCV and landed cost of fuel.
 - Incentive on annual basis.
- xxiii) Order dated 19.03.2010 in O.P. (SR) No.53 of 2009: The Commission dismissed the petition filed under clause 13 of Regulation No.5 of 2004 r/w Section 50 of the Electricity Act, 2003 by APCPDCL seeking amendment of clause 4.1.3 of the Regulation No.5 of 2004 and to add a clause empowering it to send CC bills through SMS or by e-mail as proof of sufficient service of bill, as withdrawn.
- xxiv) Order dated 29.03.2010 in R.P. (SR) No.35 of 2009 in O.P. No.6 of 2009 and O.P. No.7 of 2009: The Commission dismissed the R.P. filed by M/s Indian Wind Energy Association (InWEA).seeking review of the order dated 01.05.2009 in O.P. No.6 of 2009 and O.P. No.7 of 2009 in the matter of determination of Tariff/Power Purchase Price in respect of "New Wind Based Power Projects", as not maintainable.

- xxv) Order dated 30.03.2010 in O.P. No.28 of 2006 & I.A. No.20 of 2009 & R.P. (SR) No.22 of 2007& I.A. No.8 of 2007 in I.A. No.13 of 2006: The Commission dismissed the petition filed u/s 86(1)(f) of the Electricity Act, 2003 by four (4) Discoms seeking (a) to declare that the claim of M/s Spectrum Power Generation Ltd., Hyderabad (Respondent) in respect of deduction of excess amount paid towards ROE during open cycle period is illegal nonest and redundant (b) to direct the respondent to oblige the deductions made by the petitioners in the December energy bill of the respondent and for such other reliefs, as withdrawn. As a sequel the R.P. as well as the connected I.As. filed by the respondents also dismissed.
- xxvi) Order dated 30.03.2010 in O.P. No.40 of 2009: The Commission passed orders in petition filed u/s 86(1)(b) & (e) of the Electricity Act, 2003 by four (4) Discoms and APTransco (Petitioners) in the matter of approval of format for Power Purchase Agreement (PPA) and guidelines on Power Evacuation from Wind Power Projects in Andhra Pradesh.

4.2 **Regulations:**

No regulations were notified by the Commission during the year.

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 2009-10 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	94	81
2)	APEPDCL	08-01-2005	323	323
3)	APNPDCL	06-01-2005	25	20
4)	APSPDCL	06-01-2005	41	36
Total			483	460

5.3 Vidyut Ombudsman:

A total of 41 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 2010-11, Commission received Retail Supply Tariff filings and against these filings, commission received objections/suggestions from about 329 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.		Director (Law), APERC

As per the various 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
20	20	17	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.5.98 crore as Grants-in-Aid towards Salaries (Rs.3.9157 crore) and Other Grants-in-aid (Rs.2.0618 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.6.03 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, 2010
- ii) Income and Expenditure Account for the year ended 31st March, 2010.
- iii) Balance Sheet as on 31st March, 2010

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 2010.**

1. We have audited the attached Balance Sheet of Andhra Pradesh Electricity Regulatory Commission, Hyderabad (APERC) as on 31st March, 2010 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.84.53 lakh had been reduced to Rs.0.34 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.5.98 crore received during the year (Rs.2.13 crore was received in March 2010), the organization could utilize a sum of Rs.4.63 crore leaving a balance of Rs.3.50 crore as unutilized grant as on 31st March 2010 (previous year unutilized grant: Rs.2.15 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, 2010; 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 2009 - 10

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, 2010**

Receipts	Current Year 2009-10	Previous Year 2008-09	Payments	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.		Rs.	Rs.
To <u>Balance b/d</u>			By <u>Pay & Allowances to Chairman & Members</u>		
a) <u>Cash at Bank</u>			a) Salaries	1676869	1852029
State Bank of India	21494093	20611146	b) <u>Other Benefits</u>		
Indian Overseas Bank	3446779	402098	Water Charges	12355	12642
b) <u>Cash on Hand</u>	57900	10269	Electricity Charges	85801	60789
To <u>Grants-in-Aid</u>			Leased Accommodation	371000	371763
a) <u>Towards Revenue A/c</u>	59775000	50117000	Security Guards Charges	160300	62300
b) <u>Towards Capital A/c</u>			Newspaper Charges	14923	6996
To <u>Licence Fee</u>	60296293	57149902	Perquisites Tax	339807	279852
To <u>Licence Exemption Fee</u>		1263239	c) <u>Transfer TA</u>	0	66771
To <u>Loans</u>			d) <u>Travelling Expenses</u>		
a) <u>From Govt.</u>			i) <u>Overseas</u>	44538	0
b) <u>From Others Specify</u>			ii) <u>Domestic</u>	226511	291892
To <u>Sales</u>			By <u>Pension and Retirement Benefits</u>	458593	904723
a) <u>Sale of Publications</u>			By <u>Pay & Allowances to Officers and Staff</u>		
b) <u>Sale of Assets</u>		162340	a) Salaries	30223079	27293763
c) <u>Sale of Tender Documents</u>			b) Wages	1413865	1173425
d) <u>Sale of Investments</u>			c) <u>Other Benefits</u>		
To <u>Interest Income</u>			Newspaper Charges	4112	8061
a) <u>Interest on Investments</u>			Transfer TA	7852	0
b) <u>Interest on Deposits</u>	663967	536371	d) <u>Travelling Expenses</u>		
To <u>Recoveries towards Loans & Advances</u>			i) <u>Overseas</u>	0	0
a) <u>Principal</u>	709079	432975	ii) <u>Domestic</u>	184856	167346
b) <u>Interest</u>	153048		e) <u>Over Time</u>		
To <u>Recoveries for Remittance</u>			f) <u>Honorarium by hiring of Man Power</u>		
a) <u>Income Tax</u>	50469	8101	By <u>Pension and Retirement Benefits</u>	650694	0
b) <u>Salary Recoveries</u>	0	57235	By <u>Office Expenses</u>		
To <u>Miscellaneous Receipts</u>			a) <u>Printing & Stationery</u>	303211	283356
a) <u>Sale of Tariff Order</u>	24940	11040	b) <u>Publication Expenses</u>		
b) <u>Recruitment Fee</u>	0	6000	c) <u>Postage & Telegram Charges</u>	40331	40238
c) <u>Miscellaneous</u>	33814	27591	d) <u>Telephone Charges</u>	613465	1057136
d) <u>Fee for Filing Petitions</u>	404314	4959500	e) <u>Electricity & Water Charges</u>	1000430	1127564
e) <u>Temporary Advance</u>	4000	12100	f) <u>Insurance, Rents & Taxes</u>	5285276	4432008
			g) <u>POL</u>	362758	348396
			By <u>AMC & Other Miscellaneous Expenses</u>	932426	602006
			By <u>Advertisement Expenses</u>	1567430	2028768
			By <u>Training Expenses</u>	35788	110800
			By <u>Hiring of Private Vehicles</u>	664836	898015
			By <u>Payment of Professional and Special Services</u>	444303	3142627
			By <u>Subscription & Membership</u>	453503	238260

Receipts	Current Year 2009-10	Previous Year 2008-09	Payments	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.		Rs.	Rs.
			By Hospitality Charges	64898	135777
			By Receipts remitted to Government of AP A/c	50000000	60450000
			By Audit Fee	0	52155
			By <u>Repairs & Maintenance</u>		
			a) Buildings	7620	
			b) Vehicles	126946	115709
			By <u>Capital Expenditure</u>		
			Office Vehicles	0	1604793
			Furniture (Office)	34665	125264
			Computers	373900	55750
			Air-Conditioners	24150	20500
			Books	0	0
			Miscellaneous Assets	31595	69840
			<u>Furniture (Commissioners)</u>		
			Annexure-I	9300	20391
			Annexure-II	6955	289551
			By <u>Deposits</u>		
			a) Telephones	0	2000
			b) Advance to Leased Premises	90000	164700
			c) Temporary Advance		
			d) Traveling Allowance Advance	25012	18600
			e) EMDs	0	77194
			By <u>Banker Charges</u>		
			a) Interest		
			b) Collection		
			c) Commission etc.,	0	0
			By Loans & Advances to Employees	264039	625500
			By <u>Repayment of Loans</u>		
			a) Government		
			b) Others		
			By I.Tax & Other Recoveries Remitted to Govt. A/c	65336	78885
			By Transfer to Receipts A/c	0	0
			By <u>Closing Balances</u>		
			a) Cash on Hand	11602	57900
			b) <u>Cash at Bank</u>		
			State Bank of India	34025056	21494093
			Indian Overseas Bank	14373710	3446779
Total	147113696	135766907	Total	147113696	135766907

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Expenditure	Schedule	Current Year	Previous Year	Income	Schedule	Current Year	Previous Year
		2009-10	2008-09			2009-10	2008-09
		Rs.	Rs.			Rs.	Rs.
To Salaries	A	30429759	29189597	By Grants-in-Aid			
To Travelling Expenses	B	447916	486885	a) For Salaries		39157000	29404000
To Retirement Benefits	C	1096482	904723	b) Other Revenue Grants-in-aid		20618000	20713000
To Wages				By Profit on Sale of Assets/Investments		0	43602
To Overtime				By Excess of Expenditure Over Income (Transferred to Capital account)			
To Training Expenses		35788	110800				
To Hiring of Man Power		1310377	1066189				
To Office Expenses	D	9130635	9297144				
To Repairs and Maintenance		134566	115709				
To Staff Welfare Expenses		0	0				
To Loss on Sale of Assets/Investments		0	0				
To Advertisement Expenses		1567430	2028768				
To Depreciation	E	1136759	2327374				
To Bad Debts Written off		0	0				
To Provisions for Outstanding Expenses							
Salaries		2688728	2458487				
6 th Pay Commission Arrears		8419000					
Travelling Expenses		3955	32253				
Office Expenses		1955658	1034802				
Pension & Other Benefits		1155260	12805				
Hiring of Man Power		129132	103488				
Audit Fee		100000	100000				
To Excess of Income over Expenditure (Transferred to Capital account)		33555	891578				
Total		59775000	50160602	Total		59775000	50160602

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
BALANCE SHEET AS ON 31st MARCH, 2010

Liabilities	Schedule	Current Year	Previous Year	Assets	Schedule	Current Year	Previous Year
		2009-10	2008-09			2009-10	2008-09
		Rs.	Rs.			Rs.	Rs.
Funds				Fixed Assets	E		
a) Capital Funds		24892935	24001357	Gross Block		25501941	25021376
Add: Excess of Income Over Expenditure		33555	891578	Less Depreciation	(-)	19514963	18378204
b) Capital Grants				Net Block		5986978	6643172
Less: Excess of Expenditure Over Income							
		24926490	24892935				
Reserves				Capital Work in Progress	E		
<u>Loans From:</u>	L			Investments	F		
a) Government				Deposits and Advances	G	461660	388960
b) From Others				Loans and Advances to Staff	H	2011254	2456294
<u>Current Liabilities and Provisions</u>				Accounts Receivable	I		
Due to Government (Receipts)		17178651	5624175	Other Current Assets	J		
EMD				Cash and Bank Balances	K	48410368	24998772
<u>Provisions for Outstanding Expenses</u>							
Salaries		2688728	2458487				
6 th Pay Commission Arrears		8419000					
Travelling Expenses		3955	32253				
Office Expenses		1955658	1034802				
Hiring of Manpower		129132	103488				
Payment to SCCL (infra)		12917	12917				
Due to Income Tax Dept.		50469	8101				
Pension & Other Benefits		1155260	12805				
Recoveries towards Salary Deductions			57235				
Audit Fee		350000	250000.00				
Total		56870260	34487198	Total		56870260	34487198

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2009-10**

Schedule-A

Salaries	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.
Salaries to Chairman & Members	1676869	1852029
Salaries to Officers & Staff	30223079	27293763
Other benefits to Chairman & Members	984186	849342
Other benefits to Officers & Staff	4112	8061
Total	32888246	30003195
LESS: Pertaining to Previous Year	2458487	813598
Balance	30429759	29189597
ADD: Outstanding Liabilities for Current Year	2688728	2458487
TOTAL	33118487	31648084

Schedule-B

Particulars	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.
Travelling Allowances to Chairman & Members		
a) Overseas	60950	0
b) Domestic	226511	291892
Travelling Allowances to Officers & Staff		
a) Overseas	0	0
b) Domestic	184856	167346
Transfer T.A.	7852	66771
Total	480169	526009
LESS: Pertaining to Previous Year	32253	39124
Balance	447916	486885
ADD: Outstanding for Current Year	3955	32253
TOTAL	451871	519138

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2009-10**

Schedule-C

Retirement benefits	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.
Contribution to Provident Fund		
Pension	458593	904723
Gratuity	0	0
Other benefits	650694	0
Total	1109287	904723
LESS: Pertaining to Previous Year	12805	0
Balance	1096482	904723
ADD: Outstanding for Current Year	1155260	12805
Total	2251742	917528

Schedule-D

Office Expenses	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.
Printing & Stationery	303211	283356
Postage & Telegram Charges	40331	40238
Telephone Charges	613465	1057136
Electricity & Water Charges	1000430	1127564
Insurance, Rents & Taxes	5285276	4432008
POL	362758	348396
Other Miscellaneous Expenditure	932426	602006
Hiring of Private Vehicles	664836	898015
Payment of Professional & Special Services	444303	31426727
Subscription & Membership	453503	238260
Hospitality Charges	64898	135777
Audit Fee	0	52155
Total	10165437	12357538
LESS: Pertaining to Previous Year	1034802	3060394
Balance	9130635	9297144
ADD: Outstanding for Current Year	1955658	1034802
Total	11086293	10331946

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2009-10

Schedule-E

Name of the Asset	Gross Block				Depreciation					Net Block (A) - (B)	
	Original cost	Additions during the year 2009-10	Deductions	Cost as on 31-03-2010 (A)	As on 01-04-2009	Rate of Depreciation	For the year 2009-10				As on 31-03-2010 (B)
							Existing stock	Current year's stock	Adjustments		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Cars	2335948			2335948	280893	9.50%	221915			502808	1833140
Furniture (Office)	2566588	34665		2601253	1252817	6.33%	162465	1471		1416753	1184500
<u>Furniture (Commissioners)</u>											
Annexure-I	20391	9300		29691	4078	50.00%	10196	3072		17346	12345
Annexure-II	421887	6955		428842	64495	15.00%	53609	625		118729	310113
Computers	5087507	373900		5461407	5034347	16.21%	9037	37661		5081045	380362
Software	1996080			1996080	1553415	20.00%	202726			1756141	239939
Projector	83232			83232	39441	16.21%	13492			52933	30299
Air-Conditioners	1994318	24150		2018468	576304	4.75%	94730	393		671427	1347041
Stabilizers	73200			73200	31636	4.75%	3477			35113	38087
Fax/Frinking Machine	58500			58500	27103	4.75%	2779			29882	28618
Type Writer	10375			10375	4807	4.75%	493			5300	5075
Water Cooler	20746			20746	9645	4.75%	985			10630	10116
Ceiling Fans	76908			76908	27718	4.75%	3653			31371	45537
Refrigerator	14990			14990	6645	4.75%	712			7357	7633
Modi Xerox	146090			146090	63318	4.75%	6939			70257	75833
EPABX	232619			232619	103125	4.75%	11049			114174	118445
Court Hall Furniture	309630			309630	187833	6.33%	19600			207433	102197
M.S. and Ceiling Mount Kit	45795			45795	41445	16.21%	4350			45795	0
Infrastructure	7862917			7862917	7647474	16.21%	215443			7862917	0
Frinking Machine	59280			59280	15253	4.75%	2816			18069	41211
100 mbps Switches	89000			89000	76944	16.21%	12056			89000	0
Televisions	69840	31595		101435	1706	16.21%	11321	1445		14472	86963
Servers 2 Nos	174271			174271	56498	16.21%	28249			84747	89524
Books	398331			398331	398331	15.00%	0			398331	0
Public Address System	187965			187965	187965	16.21%	0			187965	0
Wooden Partition	684968			684968	684968	16.21%	0			684968	0
Total	25021376	480565	0	25501941	18378204		1092092	44667	0	19514963	5986978

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2009-10**

Schedule-G

Deposits and Advances	Current Year 2009-10	Previous Year 2008-09
	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	110760
Tata Cellular Deposits	24000	31000
Advance for Leased Accommodation	239800	164700
LPG Refill Deposit	0	0
Milk (APDDCF Ltd.)	1000	1000
T.A. Advance	27200	18600
Temp. Advance	58900	62900
Total	461660	388960

Schedule-H

Loans & Advances	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.
Loans and Advances to Employees	2011254	2456294
Loans and Advances to Contractors	0	0
Other Loans & Advances	0	0
Total	2011254	2456294

Schedule-K

Cash and Bank balances	Current Year 2009-10	Previous Year 2008-09
	Rs.	Rs.
Cash on Hand	1602	47900
Imprest	10000	10000
Balance with Banks		
State Bank of India	34025056	21494093
Indian Overseas Bank	14373710	3446779
Total	48410368	24998772

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2009-10**

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 2009-10**

- 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