



**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

**12th ANNUAL REPORT
2010-11**

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Abbreviations

A&G	Administration & General
A.P./AP	Andhra Pradesh
AB Cable	Aerial Bunched Cable
Act/EA	The Electricity Act, 2003
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
APGENCO	Andhra Pradesh Power Generation Corporation Limited
APNPDCCL	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
ARR	Aggregate Revenue Requirement
ATE/APTEL	Appellate Tribunal for Electricity
CAG	Comptroller and Auditor General of India
CBR	APERC (Conduct of Business) Regulations, 1999
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGRF	The Forum for Redressal of Consumer Grievances
CMD	Chairman & Managing Director/ Contracted Maximum Demand
CoD	Date of Commercial Operation
CoS	Cost of Service
Cr.	Crore
DB	Distribution Business
DISCOM	Distribution Company/Distribution Licensee
Dr. MCR HRD	Dr.Marri Channa Reddy Human Resource Department Institute of Andhra Pradesh
DSM	Demand Side Management
DTR	Distribution Transformer
ERC	Electricity Regulatory Commission/ Expected Revenue from Charges
FOIR	Forum of Indian Regulators
FOR	Forum of Regulators
FSA	Fuel Surcharge Adjustment
FY	Financial Year
G.O.	Government Order
GHIAL	GMR Hyderabad International Airport Limited
GIS	Geographic Information System
GoAP	Government of Andhra Pradesh
GoI	Government of India
GPS	Global Positioning System
HP	Horse Power
HRD	Human Resource Development
HT	High Tension
HVDS	High Voltage Distribution System
I.A.	Interlocutory Application
IT	Information Technology
JBIC	Japan Bank of International Cooperation
kV	Kilo-Volt
kVA	Kilo-Volt-Ampere
kW	Kilo-Watt
kWh	Kilo-Watt-hour
LAN	Local Area Network
LF	Load Factor

LT	Low Tension
MTA	Model Transmission Agreement
MU	Million Units
MW	Mega Watt
MYT	Multi-Year-Tariff
NCE	Non-Conventional Energy
NEDCAP	Non-convention Energy Development Corporation of Andhra Pradesh Limited
NGO	Non-Governmental Organization
NREDCAP	New & Renewable Energy Development Corporation of Andhra Pradesh Limited
O&M	Operation & Maintenance
O.P.	Original Petition
PGCIL	Power Grid Corporation of India Limited
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PTR	Power Transformer
PV	Photo Voltaic
QoS	Quality of Service
R.P.	Review Petition
REC	Renewable Energy Certificate
RESCO	Rural Electric Supply Cooperative Society
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RoE	Return on Equity
RPSSGP	Roof Top Photo Voltaic and Other Small Solar Power Generation Programme
Rs.	Indian Rupees
RSB	Retail Supply Business
RTI	Right to Information
SAC	State Advisory Committee
SERC	State Electricity Regulatory Commission
SERF	Southern Electricity Regulators Forum
SI	System Improvement
SLDC	State Load Despatch Centre
SLM	Straight Line Method
SoP	Standards of Performance
SPIO	State Public Information Officer
T&D	Transmission & Distribution
T.A.	Traveling Allowance
Temp.	Temporary
ToD	Time of Day
u/s	Under Section
ULDC	Unified Load Despatch and Communication
URL	Uniform Resource Locator
VCB	Vacuum Circuit Breaker
W	Watt
WDV Method	Written Down Value Method

EXECUTIVE SUMMARY

The Andhra Pradesh Electricity Regulatory Commission (APERC) presents the Annual Report for the 12th functional financial year ended 31st March, 2011 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 (Act).

The Summary of the activities of the Commission during FY 2010-11:

- i) No fresh licences/exemptions were granted during 2010-11.
- 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	38 Nos including 9 Nos. in admission stage
2)	Review Petitions	7 Nos including 2 Nos. in admission stage
3)	Interlocutory Applications	23 Nos including 4 Nos. in admission stage

- iv) The Commission accorded approval for various Transmission Investment schemes of total value Rs.1261.02 crore.
- v) The Commission accords consent u/s 21(4)(b) of the Reform Act, for PPAs of Discoms for purchase of 101.30 MW power from various Non-Conventional Energy (NCE) projects.
- vi) The Commission reviewed the Quality of Service (QoS) data submitted by the Discoms in terms of their overall Standards of Performance (SoP).
- vii) The Commission has modified the fee structure payable to the standing counsel in super session of the rates provided in the APERC Standing Legal Counsels (Terms and Conditions of Appointment) Regulations, 1999 vide proceedings No.Secy/D(L)/No.03, dated 10.05.2010, read with its amendment proceedings No.Secy/D(L)/No.06, dated 20.05.2010.
- viii) The Commission accords approval vide letter No.Secy/T-B18(1)/2010, dated 28.05.2010 for the extension of period of implementation of relaxations approved vide letter D.No.4966/2001, dated 05.11.2001 with regard to rationalization of procedure in respect of collection of minimum charges during the periods of long closures of Industrial Units including LT-III(A) and LT-III(b) for further period of one year upto 31.03.2011.
- ix) On 05.06.2010, the Commission issues orders on Fuel Surcharge Adjustment (FSA) for Quarters I to IV of FY 2008-09.
- x) The Commission having regard to the petition filed by Discoms in O.P. No.10 of 2010 and read with the orders in I.A. No.17 of 2010 and in partial modification of RPPO orders dated 31.03.2009, determined levelized tariff, for Roof Top and Small Solar Power Projects connected to Distribution network
- xi) The Retail Supply Tariffs for the year 2010-11 to take effect from 1st August, 2010 were determined vide Tariff Order dated 22.07.2010.

- 26 fresh directives on various parameters/issues were issued for the improvement of system operations and financials of the Licensees.
- xii) On 22.07.2010, the Commission passed orders on the ARR/ERC filings made by RESCOs for the FY 2010-11 to take effect from 01.08.2010.
 - xiii) The Commission in its order dated 23.07.2010 in R.P.Nos.6 to 9 of 2010 revised the loss trajectory for FY 2010-11 to 2013-14 of the Discoms so as to achieve the normative loss level by 2017.
 - xiv) In pursuant to the recommendation made by the GoAP, the Commission has extended the exemption from the application of provisions of Section 12 of the Act granted by order No.46, dated 15.06.2004 to the RESCOs viz., Anakapally, Cheepurupally, Siricilla and Kuppam; for further period of one year from 01.04.2011 to 31.03.2012 vide proceedings No.APERC/Secy/09/2010, dated 07.08.2010.
 - xv) The Commission accorded approval for extension of the tenure of the Members of the State Advisory Commission (SAC) by initially six months i.e., upto 09.08.2010 and subsequently for another six months i.e., upto end of February, 2011 vide proceedings No.APERC/Secy/DD(CA)/F:307/2010-3, dated 05.05.2010 r/w proceedings No.APERC/Secy/DD(CA)/F:307/2010-11, dated 06.12.2010.
 - xvi) On 10.03.2011, the Commission in the petition filed by SCR, answered the issues (i) exceeding the contracted demand by railway traction services due to feed extension from a contiguous traction supply point arising out of maintenance of lines and substations or breakdowns and (ii) non-release of additional load to railway traction services and consequent penal charges; as agreed/arrived by all the parties.
 - xvii) The Retail Supply Tariffs for the year 2011-12 to take effect from 1st April, 2012 were determined vide Tariff Order dated 30.03.2011. For the improvement of system operations and financials of the Licensees, 22 fresh directives on various parameters/issues were issued.
 - xviii) On 30.03.2011, the Commission passed orders on the ARR/ERC filings made by RESCOs for the FY 2011-12.

CHAPTER-I ORGANISATIONAL SETUP & ADMINISTRATION

1.1 The Commission:

- 1.1.1 The Andhra Pradesh Electricity Regulatory Commission (hereinafter called “APERC” or “the Commission”) was constituted vide G.O.Ms.No.65, Energy (Power III) dated 31.03.1999 as an independent statutory body corporate with perpetual succession under the provisions of Andhra Pradesh Electricity Reform Act, 1998 [Reform Act].
- 1.1.2 The Commission comprises a Chairman and two Members, appointed by the Government of Andhra Pradesh (GoAP) as per the selection procedure prescribed in the Reform Act. The Commission became operational w.e.f. 3rd April, 1999.
- 1.1.3 The Government of India (GoI) enacted the Act that came into force w.e.f. 10.06.2003, to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority (CEA), Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto. 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 Act saved the provisions of the Reform Act, not inconsistent with the provisions of the Act, will continue to apply in the State of Andhra Pradesh.
- 1.1.4 During the financial year 2010-11, *Sri A.Raghotham Rao* rendered his services as Chairman and *Sri C.R.Sekhar Reddy* and *Sri R.Radha Kishen* rendered their services as Member (Finance) and Member (Technical) respectively.

1.2 Functions and duties of the Commission:

Section 86 of the Act 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 Act.

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):** All the Desktop Computer Systems installed in the Commission's office are connected through a Local Area Network (LAN) enabling for access to any reference information and sharing of

data. LAN enables the distribution of internet from central location. The necessary peripheral hardware together with standard software items have also been provided in the office for increasing the efficacy and compatibility. The Commission has its own inbuilt soft ware designed & maintained by in-house IT wing, viz., **Tappal Movement**, etc., for easy indentifying and locating the movement of the Tappal received.

1.3.3 Intranet: The Commission intranet service is an endeavor to make information available to all the users. It provides access to websites of other ERCs & organizations, updates from ERCs, daily Newspaper clippings, daily Grid Reports, Hearing Schedule. All useful information is made available to the users. It also houses IP Messenger, a user friendly application which helps users communicate and transfer files which makes sharing of information easy.

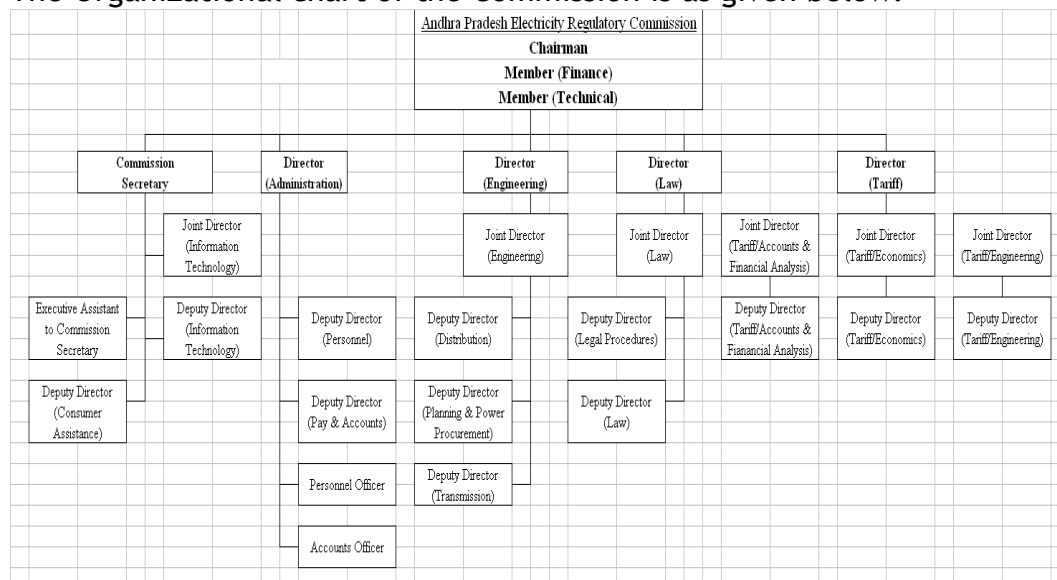
1.3.4 Website (Internet): The website of APERC designed & maintained by Information Technology wing of the Commission, in full form is operational from 15.08.2000 with URL address www.aperc.gov.in [formerly www.ercap.org]. All acts, decisions and orders of the Commission are being uploaded in the website from time to time. Also, it is used for announcing the public hearings, hearing schedules, public notices, press releases, concept papers, regulations and petitions. It also provides information on Consumer Grievances Redressal Forums (CGRFs) and Vidyut Ombudsman and guides the consumer for redressal of their grievances. Further, the details regarding Right to Information Act, 2005 are uploaded and regularly updated from time to time to provide transparency, easy access and wide publicity to consumers and other stakeholders.

1.3.5 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.

1.3.6 Daily Newspaper Clipping Service: In order to keep the Commission abreast with the latest developments in the power sector within and outside the State, a daily newspaper clipping service was maintained in the office and put up to the Commission for perusal and suitable action.

1.4 Organizational structure:

The Organizational chart of the Commission is as given below:



1.5 Staffing Position:

1.5.1 The services of the Commission employees are governed by APERC (Method of Recruitment and Conditions of Service of Officers and Staff) Regulation, 1999 [Regulation No.3 of 1999] notified on 22.07.1999. As against the sanctioned strength of 81, 50 personnel are in position as on 31.03.2011. The Staffing position as on 31.03.2011 is as given below:

Sl. No.	Designation	Sanctioned Strength	Filled in	Vacant	Name of the Incumbent as on 31.03.2011 S/Sri/Smt.
1	Commission Secretary	1	1		M.Ravindra Sai
2	Director/Engineering	1		1	K.Sanjeevarao Naidu FAC
3	Director/Law	1	1		K.Sanjeevarao Naidu
4	Director/Tariff	1		1	M.Ravindra Sai FAC
5	Director/Administration	1	1		C.Ramakrishna
6	Adviser to Commission	3		3	-
7	Joint Director/Engineering	1		1	-
8	Joint Director/Law	1		1	-
9	Joint Director/Tariff (Accounts & Financial Analysis)	1		1	-
10	Joint Director/Tariff (Economics)	1		1	-
11	Joint Director/Tariff (Engineering)	1		1	-
12	Joint Director/Information Technology	1	1		Umakanta Panda
13	Deputy Director/Transmission	1	1		A.V.L.K.Jagannadha Sarma
14	Deputy Director/Distribution	1	1		K.Sreedhar Reddy
15	Deputy Director/Planning & Power Procurement	1	1		P.Solomon Herme
16	Deputy Director/Legal Procedure	1	1		Dr. A.Srinivas
17	Deputy Director/Law	1	1		N.Nagaraj
18	Deputy Director/Tariff (Accounts & Financial Analysis)	1	1		K.Hari Prasad
19	Deputy Director/Tariff (Economics)	1	1		Dr. P.Rama Rao
20	Deputy Director/Tariff (Engineering)	1	1		Antaryami Sahoo
21	Deputy Director/Information Technology	1	1		P.Sarada

Sl. No.	Designation	Sanctioned Strength	Filled in	Vacant	Name of the Incumbent as on 31.03.2011 S/Sri/Smt.
22	Deputy Director/ Personnel	1	1		N.Bhanu Prakash
23	Deputy Director/ Pay & Accounts	1		1	N.Bhanu Prakash <small>FAC</small>
24	Deputy Director/ Consumer Assistance	1	1		K.Vijaya Kumar
25	Executive Assistant to Commission Secretary	1		1	A.V.L.K. Jagannadha Sarma <small>FAC</small>
26	Personnel Officer	1		1	-
27	Accounts Officer	1	1		B.Ramesh Babu
28	Private Secretary	3	2	1	S.Rajender
					S.Vilma Samuel
29	Security Officer	1	1		G.V.R.Yohendra Rao
30	Junior Personnel Officer	1	1		P.Lakshmi Kantamma
31	Cashier	1		1	-
32	Steno-cum-computer Operator	8	5	3	P.V.Suryanarayana Rao
					V.Sarada
					N.Sasikala
					P.V.Padmaja
					A.Lakshman Kumar
33	Personal Assistant	5	3	2	V.M.V.R.S.Sridhar
					G.Surya Kumari
					V.K.Ratnakar
34	Clerk-cum-computer Operator	7	5	2	B.Durga Prasad
					P.Amarnath
					G.Nataraju
					P.V.L.Sailaja
					P.Vijaya Lakshmi
35	Librarian	1	1		H.G.Geetha
36	Receptionist	1	1		G.Venkateswara Rao
37	Telephone Operator	2	1	1	I.Usha Rani
38	Messenger	1	1		M.Iqbal Ansari
39	Caretaker	1	1		M.Sudarsan
40	Driver	3	2	1	C.Laxminarayana
					A.Rahman
41	Office Subordinate	10	9	1	Mohammed Ali
					P.Anil Chand
					P.Ramakrishna Murthy
					G.Kumar
					P.Srinivasa Rao
					B.Srinivas
					S.Srinivasa Rao
Y.Damodar Rao					

Sl. No.	Designation	Sanctioned Strength	Filled in	Vacant	Name of the Incumbent as on 31.03.2011 S/Sri/Smt.
					G.Appanna
42	Security Guard	7	1	6	K.Ramu
	Total	81	50	31	

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 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 Human Resource Development (HRD) training programs.

1.6.2 Details of Training programmes attended by Officers of APERC during the FY 2010-11 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	Infrastructure Regulation & Reform	26-30, Apr 2010	IIM, Bangalore
2	K.Sanjeevarao Naidu, Director (Law)	Legal Aspects of Power Sector Regulation	28 Jun - 01 Jul, 2010	FOR, New Delhi
3	A.V.L.K.Jagannath a Sharma, Dy. Director (Transmn)	Challenges in Smart Grid & Renewable Resources	14-15, May 2010	IEEE Power & Energy Society, Bangalore
		Model Transmission Agreement (MTA) for Public Private Partnership (PPP)	04, Feb 2010	Planning Commission of India
		Capacity Building Programme	23-28, Aug 2010	IIT, Kanpur
		DSM & Energy Efficiency	16-18, Nov 2010	NPTI, Faridabad
4	Dr. A.Srinivas, Dy. Director (Legal Procedures)	Legal Aspects of Power Sector Regulation	28 Jun - 01 Jul, 2010	FOR, New Delhi
5	N.Nagaraj, Dy. Director (Law)	Legal Aspects of Power Sector Regulation	28 Jun - 01 Jul, 2010	FOR, New Delhi
6	K. Sreedhar Reddy Dy. Director (Dist.)	Reactive Power Management	09-12, Aug 2010	CIRE, Hyderabad
7	K.Hari Prasad, Dy. Director (TAF)	Capacity Building Programme	23-28, Aug 2010	IIT, Kanpur
8	K.Vijay Kumar, Dy. Director (Consumer Assistance)	Protection of Consumer Interest	24-25, Nov 2010	NPTI, Faridabad

1.7 State Advisory Committee:

- 1.7.1 In pursuance of the provisions contained in Section 87 of the Act, the Commission notified APERC (Constitution of State Advisory Committee and its functioning) Regulation, 2004 [Regulation No.2 of 2004] on 9th February, 2004.
- 1.7.2 The SAC was constituted with 18 members for three years vide proceedings No.APERC/Secy/DD(CA)/09-01, dated 11.01.2007. Subsequently, the members list was modified vide proceedings No.APERC/Secy/DD(CA)/09-01, dated 01.01.2009. The Commission accorded approval for extension of the tenure of the Members of the SAC by initially six months i.e., upto 09.08.2010 and subsequently for another six months i.e., upto end of February, 2011 vide proceedings No.APERC/Secy/DD(CA)/F:307/2010-3, dated 05.05.2010 read with proceedings No.APERC/Secy/DD(CA)/F:307/2010-11, dated 06.12.2010.
- 1.7.3 **Objects of SAC:** Section 88 of the Act provides that the objects of the SAC shall be to advise the Commission on -
- (i) Major questions of policy;
 - (ii) Matters relating to quality, continuity and extent of service provided by the licensees;
 - (iii) Compliance by licensees with the conditions and requirements of their licence;
 - (iv) Protection of consumer interest; and
 - (v) Electricity supply and overall standards of performance by utilities.
- 1.7.4 **Activities of the SAC during FY 2010-11:** The meetings of the SAC were held twice during the year 2010-11, firstly on 09.07.2010 and subsequently on 02.02.2011, to elicit their views on the ARR/Tariff proposals of Licensees for the FY 2010-11 and for FY 2011-12 respectively. The suggestions made by the members of SAC were also considered by the Commission while finalizing the respective Retail Supply Tariff Orders for 2010-11 and 2011-12. The minutes of the meetings of the SAC were uploaded in the Commission website.

1.8 Southern Electricity Regulators Forum meetings:

- 1.8.1 The Southern Electricity Regulators Forum (SERF) is a society registered under the provisions of Karnataka Societies Registration Act, 1960. The Forum was constituted to understand and review issues specific to the Southern Region that shared similar characteristics and concerns. The Forum aims at an important coordinated role to address several issues confronting the Power Sector in order to bring in the reform in the real terms. The Chairpersons of all the four Southern State ERCs would constitute the Executive Committee and the General Body Meeting of the Forum shall be held once in 3 months on a rotation basis.
- 1.8.2 **Hosting of 12th meeting of SERF:** The Commission, in its turn, hosted the 9th meeting of SERF held on 13.11.2010 at Dr. MCR HRD Institute of AP, Jubilee Hills, Hyderabad. The Forum has extensively deliberated on implementation of Renewable Energy Certification (REC) mechanism.

1.9 Forum of Indian Regulators meetings:

The Forum of Indian Regulators (FOIR) is a society registered under the provisions of 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 the meetings of FOIR on the following dates:

Sl.	FOIR Meeting	Date	Attended By
1)	11 th Annual General Body Meeting at New Delhi	17 th Jun, 2010	Sri A.Raghotham Rao, Chairman

1.10 Forum of Regulators meetings:

In order to coordinate the activities of central and state electricity regulators, a Forum of Regulators (FOR) has been constituted by the Go u/s 166(2) of the Act. The FOR is responsible for harmonization, co-ordination and ensuring uniformity of approach amongst the ERCs 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)	17 th Meeting of FOR at Shillong, Meghalaya	20 th -21 st Apr, 2010	Sri A.Raghotham Rao, Chairman
2)	18 th Meeting of FOR at New Delhi	18 th Jun, 2010	
3)	20 th Meeting of FOR at Thiruvananthapuram, Kerala	26 th Sep, 2010	
4)	21 st Meeting of FOR at Chennai, Tamil Nadu	27 th -28 th Nov, 2010	

1.11 South Asia Forum for Infrastructure Regulation meetings:

The South Asia Forum for Infrastructure Regulation (SAFIR) was established in May 1999 with the support of World Bank. SAFIR aims to provide high quality capacity building and training on infrastructure regulation & related topics, in South Asia and to stimulate research on the subject by building a network of regional and international institutions & individuals that are active in the field. It also aims at facilitating effective and efficient regulation of Utility and infrastructure industries, initiate beneficial exchange of knowledge and expertise and set the trend of rapid implementation of global best practices. The Commission being the Member of the SAFIR has attended the following meeting of SAFIR.

Sl.	SAFIR Meeting	Date	Attended By
1)	17 th SAFIR Steering Committee Meeting at Kathmandu, Nepal	10 th Dec, 2010	Sri A.Raghotham Rao, Chairman

CHAPTER-II LICENCING & INVESTMENT APPROVALS

2.1 Licences:

No fresh licences were issued during the year 2010-11.

2.2 Exemptions:

No fresh exemptions were granted during the year 2010-11. However, in pursuant to the recommendation made by the GoAP, the Commission has extended the exemption from the application of provisions of Section 12 of the Act granted by order No.46, dated 15.06.2004 to the RESCOs viz., Anakapally, Cheepurupally, Siricilla and Kuppam; for further period of one year from 01.04.2011 to 31.03.2012 vide proceedings No.APERC/Secy/09/2010, dated 07.08.2010.

2.3 Monitoring the Licensees' Performance:

The Commission conducted review meetings during the year 2010-11, with the Chairman & Managing Directors (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 Loss Trajectory of Distribution Licensees:

The Commission passed the Wheeling Charges Tariff Order for the MYT period with specific distribution loss percentages to be achieved in each year. The Licensees filed review petitions before the Commission stating that the distribution loss reduction trajectory fixed is stringent and requested for a review. The Commission after hearing the Licensees, based on the Licensee representation and considering the practical limitations in achieving the loss reduction trajectory, passed the order dated 23.07.2010 in R.P.Nos.6 to 9 of 2010 revising the loss trajectory for FY 2010-11 to 2013-14 of the Discoms so as to achieve the normative loss level by 2017 [refer Annexure C of the Tariff Order 2010-11].

2.5 Investment approval - Transmission schemes:

The Commission approved the investment of Rs.1261.02 crore during the year 2010-11 in the following schemes proposed by APTransco:

Sl. No.	Scheme Name	Sanction No. CRN No.APT/ TS -	Estimated Cost (Rs. crore)
1	220 kV Manthani Substation-Karimnagar Dist.	01/2011	49.66
2	220/132/33 kV Substation-Fab City in Malleswaram Rangareddy Dist.	02/2011	29.84
3	Investment proposal for creation of Transmission system for evacuating Power from the forthcoming Krishnapatnam APGenco-2x800 MW Thermal Power Plant	03/2011	569.65
4	Construction of 3 Zonal Offices	-	20.77
5	Evacuation Lower Jurala	06/2011	10.87
6	132/33 kV Substation Pedawaltair	07/2011	47.55
7	132 kV Substation Amarachinta	08/2011	15.55
8	132 kV Substation Singotam x Road	09/2011	20.50

Sl. No.	Scheme Name	Sanction No. CRN No.APT/ TS -	Estimated Cost (Rs. crore)
9	132 kV Substation Tanakallu- Anantapur Dist	10/2011	15.91
10	132 kV Substation Tanguturu-Prakasam Dist	11/2011	7.95
11	Augmentation of PTR capacities in 29, 132 & 220 kV Substations	12/2011	106.91
12	Replacement of Old conductor in several 132 kV Lines	13/2011	14.82
13	132 kV Substation at Tallada - Khammam Dist	14/2011	23.46
14	132 kV Substation at Aitipamula - Nalgonda Dist	15/2011	12.95
15	132 kV Substation at - Narsipatnam - Visakhapatnam Dist	16/2011	20.27
16	220/132/33 kV Substation at Manikonda Rangareddy Dist	17/2011	37.29
17	Augmentation of PTR capacities in 23, 132 & 220 kV Substations	18/2011	66.80
18	132/33kV Substation at Jadcherla - Mahaboobnagar Dist	19/2011	11.10
19	Augmentation of PTR capacities in 23, 132 & 220 kV Substations	20/2011	68.40
20	Procurement of Emergency Restoration System	21/2011	10.00
21	220/33 kV Substation at Singotam x Roads Mahabubnagar Dist	22/2011	21.17
22	132/33 kV Substation at Rentapalla - Guntur Dist	23/2011	9.125
23	132/33 kV Substation at Somala-Chittoor Dist	24/2011	10.75
24	132/33 kV Substation at LGM Peta - Rangareddy Dist	25/2011	14.79
25	132/33 kV Substation at Borabatla-Medak Dist	26/2011	15.40
26	132/33 kV Substation at Utnoor - Adilabad Dist	27/2011	29.52
Total			1261.02

2.6 Power Purchase Agreements (PPAs):

The Commission has given consent u/s 21(4)(b) of the Reform Act, for the following PPAs of Discoms for purchase of 101.30 MW power from various NCE projects. The details are as given below:

Sl. No.	Name of the Company	Capacity (MW)	Type of project	Date of Consent
1)	M/s Texmo Industries	2.4	Wind	01.04.2010
2)	M/s Shilpa Medicare Ltd.	1.6	Wind	
3)	M/s Happy Valley Developers	0.8	Wind	
4)	M/s Vikram Traders	0.8	Wind	
5)	M/s Protectron Electromech (P) Ltd.	0.8	Wind	
6)	M/s Canara Cement Pipes	0.8	Wind	
7)	M/s Prakash Beedies (P) Ltd.	0.8	Wind	

Sl. No.	Name of the Company	Capacity (MW)	Type of project	Date of Consent
8)	M/s Texmo Precision Castings	1.6	Wind	29.07.2010
9)	M/s Vaayu (India) Power Corporation Pvt. Ltd. (Ph-I to Ph-VII) [4.8+4.8+4.8+11.2+4.8+9.6+10.4]	46.4	Wind	20.07.2010
10)	M/s Vish Wind Infrastructure LLP (Ph-I to Ph-IV) [0.8+4.0+1.6]	6.4	Wind	19.10.2010
11)	M/s R.B.Seth Shreeram Narsingadas	0.8	Wind	27.10.2010
12)	M/s Texonic Instruments	0.8	Wind	
13)	M/s Triveni Enterprises Steel Power Services	0.8	Wind	
14)	M/s Sai Silks (Kalamandir) Ltd.	2.0	Wind	30.03.2011
15)	M/s KMS Power Pvt. Ltd., merging with M/s Balaji Biomass Power Pvt. Ltd., and subsequent change of name of the company to M/s Greenko Energies Pvt. Ltd., w.e.f. 21.04.2008	6.0	Biomass	22.10.2010
16)	M/s Rayalaseema Green Energy Ltd.,	5.5	Biomass	05.06.2010
17)	M/s Balaji Biomass Power (P) Ltd., having off the company to M/s Greenko Energies (P) Ltd.	6.0	Biomass	19.10.2010
18)	M/s Shravana Power Projects (P) Ltd.	7.5	Industrial Waste (Poultry Litter)	25.09.2010
19)	M/s APIIC Ltd., Industrial Park	1.0	Solar under RPSSGP	23.03.2011
20)	M/s Gajanan Financial Services Pvt. Ltd.	1.0		
21)	M/s Photon Energy Systems Ltd.	1.0		
22)	M/s Andhra Pradesh Power Generation Corporation Ltd.	1.0		
23)	M/s Sri Power Generation (India) Pvt. Ltd.	1.0		
24)	M/s Solar Semiconductor Pvt. Ltd	0.75		
25)	M/s Amrit Jal Ventures Pvt. Ltd.	1.0		
26)	M/s Andromeda Energy Technologies Pvt. Ltd.	0.75		
27)	M/s Bhavani Engineering	1.0		
28)	M/s Ramakrishna Industries	1.0		
Total		101.30		

CHAPTER-III TARIFFS & DIRECTIVES

3.1 ARR filings of Discoms:

3.1.1 **Regulation for Determination of Tariff:** APERC notified Regulation No.4 of 2005 on 14.11.2005 laying down the terms and conditions for determination of tariff for Wheeling and Retail Sale of Electricity) Regulation No.4 of 2005. This regulation introduced Multi Year Tariff (MYT) framework and accordingly, each distribution licensee has to made the filings for its ARR and Tariff proposals for determination of tariff for (a) Wheeling and (b) Retail supply of electricity for a period of 5 year (called Control Period).

3.1.2 **Filings on annual basis:** The Licensees expressed their inability to make filings, as per MYT fame work and instead sought the approval of the Commission to file on annual basis. The same were permitted by the Commission.

3.1.3 **Delay in filings:** The Licensees were to file their annual ARR and tariff proposals for the next financial year by 30th November of the year as per statute to determine the tariff for the next financial year commencing from 1st April of the next year. The Licensees, however did not file the ARR and tariff proposals in time, explaining that the delay was due to certain unavoidable circumstances viz., delay in receipt of information of power/fuel availability, and cost thereof, from various sources, in finalization of power purchase cost projections which have material impact on the overall ARR and the measures to be adopted by the Licensees in addressing it. Licensees sought extension of time, from time to time and the Commission has granted time upto 30.04.2010 in respect of ARR filings for FY 2010-11. With regard to ARR filings for FY 2011-12 the Commission has granted extension of time from time to time.

3.1.4 **ARR & Tariff proposals** The Licensees filed the ARR and Tariff proposals for their Retail Supply business for FY 2010-11 on 20.04.2010 and for FY 2011-12 on 07.01.2011.

3.2 The Highlights of Retail Supply Tariffs 2010-11:

3.2.1 The Retail Supply Tariffs for the year 2010-11 to take effect from 1st August, 2010 were determined vide Tariff Order dated 22.07.2010. The Highlights of the Tariffs are -

a) The ARR for the four Distribution Companies have been approved at Rs.22205.24 Cr. The Discoms-wise ARR, are given below-

Distribution Licensee	ARR for FY 2010-11 (Rs.Cr)
APCPDCL	9955.42 cr
APEPDCL	3736.75 cr
APNPDCL	3221.89 cr
APSPDCL	5291.18 cr
Total	22205.24 cr

b) The GoAP gave directions for uniform tariffs across the State under Section 108 and also their subsidy commitment to the extent of Rs.3652.81. crore under Section 65 of the Act for the Discoms (Rs.820.17 Cr for APCPDCL; Rs.272.66 Cr for APEPDCL; Rs.1402.46 Cr for APNPDCL and Rs.1157.51 Cr for APSPDCL) vide its letter No.4250/Power11(1)/2010-3, dated 22.07.2010

- c) Tariffs have been enhanced to certain HT and LT categories of Consumers with effect from 01-08-2010, as follows-

Sl. No.	Category	Existing Tariff (Rs/unit)	Discoms' Proposed Tariff (Rs/unit)	APERC Approved Tariff (Rs/unit)
1	LT-III(A)-Industrial Normal & LT-III(B)-Industrial Optional	3.75	4.25	4.13
2	HT-I-Industry-General -11 kV -33 kV -132 kV	3.20 2.95 2.70	3.70 3.45 3.20	3.52 3.25 2.97
3	HT-I(B)-Ferro Alloys (at 11 kV, 33 kV & 132 kV)	2.40	2.90	2.65
4	HT-II-Non-Industrial -11 kV -33 kV -132 kV	4.30 3.80 3.60	5.30 4.80 4.60	4.80 4.30 4.10
5	HT-IV(A)-Govt Lift Irrigation	2.36	2.86	2.60
6	HT-V-Railway Traction	3.95	4.75	4.45
7	LT-II-Non-Domestic and Commercial	First 50 units- 3.85	First 50 units- 3.85	First 50 units- 3.85
		Above 50 units- 6.20	51 to 100 units-6.20 Above 100 units- 6.70	51 to 100 units-6.20 Above 100 units- 6.50

- d) Introduced kVAh based Tariff (in place of kWh) and removed Power Factor Surcharge for all HT consumers and LT consumers for whom trivector meters have been provided for.
- e) The Load Factor incentive scheme, applicable for HT-I(A), is discontinued.
- f) Time of Day (ToD) Tariff, is introduced in the evening time slot of 6 pm to 10 pm, for the Consumers of HT-I category.
- g) Demand Charges (Rs/kVA/Month) in respect of HT consumers have been rationalized at Rs.250/kVA/Month across all the voltage levels.
- h) For LT-III-A(i) Industry Normal category; the fixed charges would be computed based on Contracted Load or actual Recorded Demand, whichever is higher. For the purpose of billing, kVA shall be equal to HP.
- i) Additional charges for exceeding contracted demand have been rationalized for HT consumers.

- j) 26 directives on the following parameters/issues were issued for the improvement of system operations and financials of the Licensees.
- Sales to LT-V: Agriculture
 - Distribution Loss for FY 2010-11
 - kVAh based billing
 - Tariff to be paid by RESCOs for Excess Drawl
 - Clarification regarding categorization of Printing press (excluding newspapers)
 - Administration of Subsidy
 - Requests for Separate Tariff Categories Rationalization of slabs
 - Revision of Tariff Slabs in LT-I: Domestic Category:
 - Categorization of GHIAL (GMR-Hyderabad International Airport Limited) service
 - HT-IV(B): Agriculture - Tariff for Supply beyond 7 hrs in a day
 - Payment of Compensation in case of fatal accidents
 - Safety improvement and day-to-day maintenance activities through attention to O&M exigencies in Rural Areas
 - Single Phase HVDS transformers - Safety issues
 - Examination of Group insurance scheme for payment of compensation
 - Power Supply to Rural Areas
 - Replacement of failed Distribution Transformers (DTRs)
 - Functioning of CGRFs
 - Indicating Development Charges in Tariff Order
 - Reduction of Minimum charges for Domestic Consumers
 - Request for Incentives for prompt/advance payments
 - Energy Conservation
 - Filing of information on Maintenance/utilization of contingency Reserves
 - Furnishing of Sales Information in Audited Accounts
 - Request for Monitoring the Investments by Licensees
 - Assets, Depreciation and Interest Details
 - Availability of Documents in Telugu

3.3 The Highlights of Retail Supply Tariffs 2011-12:

3.3.1 The summary of ARR approved by the Commission vide Retail Supply Tariffs Order dated 30.03.2011 for the FY 2011-12 to be effective from 1st April, 2011 are as given below:

Sl. No.	ARR Summary (Rs. in Crores)	Commission Approved
1	Power Purchase (MU)	83612.66
2	Power Purchase cost (Rs. crs)	20467.99
3	Transmission Charges	1488.37
4	Other Charges (DB) plus Taxes on Income	61.58
5	Employee costs	1766.39
6	A&G Costs	195.17
7	Repair and Maintenance expenses	244.14
8	Provision for Bad and Doubtful Debts	0.00
9	Depreciation	1053.70
10	Return on Equity (RoE) (in %) *	16%
11	Special appropriations for Safety Measures	20.00
12	Return on Capital base and Loans balances	283.42

Sl. No.	ARR Summary (Rs. in Crores)	Commission Approved
13	Interest and Finance charges including Supply Margin	531.34
14	Other Expenses (RSB) including Interest on Consumer Security Deposits	190.55
15	Less: Expenses Capitalized (O&M)	-206.61
	Less: Non-Tariff Income (DB)	-138.14
16	Total Expenses	25957.90
17	Less: Other income	0.00
18	Less: Subsidy	-4209.97
19	Total ARR	21747.93
20	Revenue from existing tariffs	21284.39
21	Revenue from Non-Tariff Income	463.55
22	Remaining Gap (surplus(+), deficit(-))	0.00
23	Average Power Purchase Cost (Rs/kWh) #	2.63
24	Average Cost of Supply (Rs/kWh) ^	3.09
25	Unit Purchased (MU)	83612.66
26	Units Sales (MU)	70422.28
27	T&D Losses	13190.38
28	T&D Losses (in Crs)	3463.74
a)	Transmission Charges	1488.37
	Transmission Charges	1097.51
	SLDC Charges	35.28
	PGCIL Charges	330.87
	ULDC Charges	24.71

* RoE is @ 14% in Distribution business and 2% as Supply Margin in Retail Supply business, thus totalling to 16%.

Average Power Purchase Cost (Rs/kWh) = (Power Purchase Cost in Rs Crores + Transmission Charges in Rs Crores) x 10 / Power Purchase in MU

^ Average Cost of Supply (Rs/kWh) = Total ARR in Rs Crores x 10/Unit Sales in MU

3.3.2 The Commission in its Retail Supply Tariff Order dated 30.03.2011 has issued 22 fresh directives on the following parameters/issues for the improvement of system operations and financials of the Licensees.

- Monthly Report on Losses
- Agricultural Consumption Estimate
- Supply to Industrial Units Located in RESCO's Supply Areas
- Additional Power Purchase Volumes
- Monthly Consumption and Daily Grid Reports
- Amounts Due from GoAP
- Recovery of excess LF incentive paid to HT consumers
- Recovery of demand charges from APGPCL
- Levy of Delayed Payment Surcharge and Interest
- Street Lighting in APIIC Industrial Municipalities
- Ferro Alloy Units: R&C Measures and Deemed Energy Consumption
- Pre Paid Meters for Government Departments
- Consumer Bills on Internet
- Share of capacity in IPP expansion projects
- HVDS and Other Issues
- Power Supply to Rural Areas
- Report on Agricultural Pump Sets

- Awareness Programme to Forum Members and Functioning of Call Centres
- Lok Adalats for Settlement of Compensation Claims
- AB Switches on HVDS Transformers
- DTR Location for Residential and Commercial Complexes
- Report on Subsidy Payment by GoAP

3.4 **The RESCOs Orders for FYs 2010-11 and 2011-12:**

3.4.1 The Commission determined Bulk Supply Tariff for the RESCOs based on Revenue less method for the FYs 2010-11 and 2011-12 as detailed below:

Sl. No.	Name of the RESCO	FY 2010-11 (Rs./kWh) w.e.f.01.08.2010	FY 2011-12 (Rs./kWh) w.e.f.01.04.2011
1)	Anakapalli	0.73	0.83
2)	Cheepurupalli	0.60	0.62
3)	Siricilla	0.41	0.47
4)	Kuppam	0.18	0.28

3.5 **Fuel Surcharge Adjustment for all the Quarters of FY 2008-09:**

3.5.1 The Commission issues orders on Fuel Surcharge Adjustment (FSA) for Quarters I to IV of FY 2008-09 vide proceeding Nos.APERC/Secy./Jt.Dir. (Tariff-Engg.)/Nos.05 to 08, dated 05.06.2010, as given below:

Sl.	Quarter in FY 2008-09	FSA Amount (Rs.in Cr.)	FSA Eligible Units (in MU)	FSA Rate (Rs./kWh)
1)	I	115	9576	0.12
2)	II	363	9160	0.40
3)	III	832	9212	0.90
4)	IV	339	9394	0.36

3.6 **Other Matters related to Tariff:**

3.6.1 **Extension of certain relaxations to the Sick Industries:** The Commission accords approval vide letter No.Secy/T-B18(1)/2010, dated 28.05.2010 for the extension of period of implementation of relaxations approved vide letter No.4966/2001, dated 05.11.2001 with regard to rationalization of procedure in respect of collection of minimum charges during the periods of long closures of Industrial Units including LT-III(A) and LT-III(b) for further period of one year upto 31.03.2011.

3.6.2 The Commission having regard to the petition filed by Discoms in O.P. No.10 of 2010 and read with the orders in I.A. No.17 of 2010 and in partial modification of RPPO orders dated 31.03.2009, determined levelized tariff, for Roof Top and Small Solar Power Projects connected to Distribution network as:

Year of commission of the project	Solar PV projects		Solar Thermal projects	
	Tariff without accelerated depreciation benefit	Tariff with accelerated depreciation benefit	Tariff without accelerated depreciation benefit	Tariff with accelerated depreciation benefit
2010-11	17.91	14.95	15.31	12.85
2011-12	17.91	14.95	15.31	12.85
2012-13	-	-	15.31	12.85

- 3.6.3 On 10.03.2011, the Commission in the Review Petition filed by SCR [R.P.No.9 of 2009], answered the issues (i) exceeding the contracted demand by railway traction services due to feed extension from a contiguous traction supply point arising out of maintenance of lines and substations or breakdowns and (ii) non-release of additional load to railway traction services and consequent penal charges; as agreed/arrived by all the parties. An agreement was prepared consisting of Terms & Conditions of settlement of billing whenever the Railways exceed their Contract Demand due to feed extension arising out of failure of power supply and non-release of additional demand by Discoms. All the representatives of four Discoms, APTransco and Indian Railways have signed the Agreement.

CHAPTER-IV LEGAL MATTERS & REGULATIONS

4.1 Legal matters:

4.1.1 **Receiving Officer:** In terms of Clause 12 of APERC (Conduct of Business) Regulations, 1999 (CBR) [Regulation No.2 of 1999], the Commission in its approval order dated 23.06.2004, designated Deputy Director (Law) as Receiving Officer and in his absence, Deputy Director (Legal Procedure) as the Receiving Officer. Procedure for process of petitions/objections/applications received by the Receiving Officer were specified in the proceedings No.Secy/02/2010 dated 13.04.2010.

4.1.2 **The Advocate on Record:** The Commission appointed *Sri K.V.Mohan* as the Advocate on Record and Regular Counsel for the APERC to handle the work in respect of the appeals being preferred before the Hon'ble Supreme Court and before Hon'ble Appellate Tribunal for Electricity (APTEL) by or against the Commission vide proceedings No.APERC/Secy/No.26/2002, dated 24.04.2002 and No.APERC/Secy/No.06/2006, dated 23.09.2006 respectively. The term of Advocate on Record was extended from time to time by various proceedings, and by proceeding No.Secy/D(L) No.01 of 2011, dated 01.03.2011 for a further period from 01.11.2010 to 31.10.2011.

4.1.3 **The Standing Legal Counsel:** The Commission appointed *Sri P.Sri Raghu Ram*, Advocate as Standing Legal Counsel to the APERC for a period of 3 years in proceedings No.APERC/Secy/F4/No.41, dated 01.08.2001. The term of counsel was extended from time to time by various proceedings, and by proceedings No.APERC/Secy/D(L)/No.10 dated 11.10.2010 for a further period beyond 30.09.2010 and upto 30.09.2012. The Commission has modified the fee structure payable to the standing counsel in super session of the rates provided in the APERC Standing Legal Counsels (Terms and Conditions of Appointment) Regulations, 1999 vide proceedings No.Secy/D(L)/No.03, dated 10.05.2010, read with its amendment proceedings No.Secy/D(L)/No.06, dated 20.05.2010.

4.1.4 **Orders Passed by the Commission during FY 2010-11:** The number of Original Petitions (O.Ps.), Review Petitions (R.Ps.) and Interlocutory Applications (I.As.) disposed by the Commission during the year 2010-11 is as given below:

Sl. No.	Petitions	Disposed
1)	Original Petitions	38 Nos including 9 Nos. in admission stage
2)	Review Petitions	7 Nos including 2 Nos. in admission stage
3)	Interlocutory Applications	23 Nos including 4 Nos. in admission stage

4.1.5 All acts, decisions and orders of the Commission are being uploaded from time to time in website www.aperc.gov.in. The details of orders passed by the Commission during FY 2010-11 are as given below:

- i) Order dated 15.04.2010 in O.P.No.348 of 2000: The Commission issued a direction to the respondents viz., APTransco & Discoms to recommend to Gol through GoAP for allocation of natural gas to the petitioner viz., M/s.Astha Power Corporation Pvt. Ltd.

- ii) Order dated 06.07.2010 in O.P.No.10 of 2010: The Commission passed orders in petition filed u/s 62, 86(1)(a) and 86(1)(e) of the Act by Discoms for Rooftop and other small Solar power plants connected to distribution network (below 33 kV).
- iii) Order dated 14.07.2010 in I.A.No.17 of 2010: The Commission passed orders in application filed by NEDCAP and indicated levelized tariff for Solar PV projects and Solar Thermal Projects with and without accelerated depreciation benefit.
- iv) Order dated 20.07.2010 in R.P.(SR)No.71 of 2009 & I.A.(SR)No.8 of 2010 in O.P.No.21 of 2008: The Commission rejected the review petition filed u/s 94 of the Act by Small Hydro Developers Association and 16 Others.
- v) Order dated 22.07.2010 in O.P.Nos.06 to 09 of 2010: The Commission passed orders on ARR filings and Retail Supply Tariff proposals for the FY 2010-11 u/s 62 of the Act made by Discoms to take effect from 01.08.2010.
- vi) Order dated 22.07.2010 in O.P.Nos.02 to 05 of 2010: The Commission passed orders on the ARR/ERC filings u/s 62 of the Act made by Anakapalle, Sircilla, Cheepurupalli and Kuppam RESCOs respectively for the year 2010-11 to take effect from 01.08.2010.
- vii) Orders dated 23.07.2010 in R.P.Nos.6 to 9 of 2010 in O.P. Nos.17 to 20 of 2008 respectively: The Commission revises the loss trajectory for FY 2010-11 to 2013-14 of the Discoms so as to achieve the normative loss level by 2017.
- viii) Order dated 27.07.2010 in O.P.No.34 of 2009 & I.A.No.21 of 2009: The Commission passed orders in petition filed u/s 11(2) and 86(1)(k) of the Act by M/s GVK Industries Ltd., on the issues (i) offsetting the financial impact on the petitioner consequent to the directions of GoAP and (ii) Offsetting the financial impact to the respondents viz., Discoms & GoAP due to orders of GoAP vide letter No.2043, dated 09.04.2009.
- ix) Order dated 27.07.2010 in O.P.No.35 of 2009 & I.A.No.22 of 2009: The Commission passed orders in petition filed u/s 11(2) and 86(1)(k) of the Act by M/s Gautami Power Ltd., on the issues (i) offsetting the financial impact on the petitioner consequent to the directions of GoAP and (ii) Offsetting the financial impact to the respondents viz., Discoms & GoAP due to orders of GoAP vide letter No.2043, dated 09.04.2009.
- x) Order dated 27.07.2010 in O.P.No.36 of 2009: The Commission passed orders in petition filed u/s 11(2) and 86(1)(k) of the Act by M/s Konaseema Gas Power Ltd., on the issues (i) offsetting the financial impact on the petitioner consequent to the directions of GoAP and (ii) Offsetting the financial impact to the respondents viz., Discoms & GoAP due to orders of GoAP vide letter No.2043, dated 09.04.2009.
- xi) Order dated 27.07.2010 in O.P.No.37 of 2009: The Commission passed orders in petition filed u/s 11(2) and 86(1)(k) of the Act by M/s Vemagiri Power Generation Ltd., on the issues (i) offsetting the financial impact on the petitioner consequent to the

- directions of GoAP and (ii) Offsetting the financial impact to the respondents viz., Discoms & GoAP due to orders of GoAP vide letter No.2043, dated 09.04.2009.
- xii) Order dated 28.07.2010 in O.P.No.16 of 2009 & I.A.No.15 of 2009: The Commission dismissed the petition filed u/s 86 and 94(2) of the Act by APTransco (Petitioner) against M/s GVK Industries Ltd.,(Respondent) and also dismissed the application filed by the Respondent of the main petition.
- xiii) Orders dated 11.10.2010 in I.A.Nos.19 & 20 of 2010 in R.P.No.84 of 2003 in O.P.No.1075 of 2000: The Commission allowed the applications filed u/s 94(2) of the Act and directed the respondents viz., APTransco & Discoms not to make recovery of payments from the monthly bills for power supplied by the NCE generators pending disposal of the main R.P. by the Commission.
- xiv) Orders dated 13.10.2010 in I.A.Nos.21 to 26 of 2010 in R.P.No.84 of 2003 in O.P.No.1075 of 2000: The Commission allowed the application filed u/s 94(2) of the Act and directed the respondents viz., GoAP, APTransco & Discoms not to make recovery of payments from the monthly bills for power supplied by the NCE generators pending disposal of the main R.P. by the Commission.
- xv) Order dated 19.10.2010 in I.A.No.28 of 2010 in R.P.No.84 of 2003 in O.P.No.1075 of 2000: The Commission allowed the application filed u/s 94(2) of the Act by M/s M/s K.M.Power Pvt. Ltd., & 7 Others (Petitioners) and directed the respondents viz., GoAP, APTransco, APPCC & Discoms not to make recovery of payments from the monthly bills for power supplied by the NCE generators pending disposal of the main R.P. by the Commission.
- xvi) Orders dated 30.10.2010 in I.A.No.30 & 31 of 2010 in R.P.No.84 of 2003 in O.P.No.1075 of 2000: The Commission allowed the application filed u/s 94(2) of the Act and directed the respondents viz., APTransco & Discoms not to make recovery of payments from the monthly bills for power supplied by the NCE generators pending disposal of the main R.P. by the Commission.
- xvii) Common Order dated 04.12.2010 in I.A. No.32 of 2010 in I.A.No.20 of 2010 & O.P. No.17 of 2010 in R.P.No.84 of 2003 in O.P. No.1075 of 2000: The Commission closes I.A.No.32 of 2010 in I.A.No.2010 filed by Discoms (Petitioners) and O.P.No.17 of 2010, the petition filed u/s 146 of the Act by M/s Bollineni Castings & Steel Ltd. (Petitioner).
- xviii) Order dated 06.01.2011 in I.A. No.33 of 2010 in R.P.No.84 of 2003 in O.P. No.1075 of 2000: The Commission allowed the application filed u/s 94(2) of the Act by M/s Gayatri Sugars Ltd. (Petitioner) and directed the respondents viz., APTransco & Discoms not to make recovery of payments from the monthly bills for power supplied by the NCE generators pending disposal of the main R.P. by the Commission.
- xix) Order dated 17.01.2011 in O.P.(SR)No.81-A of 2010 & I.A.(SR) No.81 of 2010: The Commission returned the petition along with the I.A. filed u/s 86(1)(f) of the Act, by M/s GVK Industries Ltd., for presentation before the concerned CGRF.

- xx) Orders dated 17.01.2011 in O.P.(SR)No.66 of 2009, O.P.(SR)No.16 of 2010, O.P.(SR)No.23 of 2010 and O.P.(SR)No.25 of 2010: The Commission rejected the petitions filed by Sri Ch.Venkateswarlu (Petitioner).
- xxi) Order dated 23.02.2011 in I.A.(SR) No.11 of 2011 in O.P.No.11 of 2009: The Commission allowed the application filed by Discoms (Petitioners) and directed the registry to number the petition and to post the matter to a nearest date for hearing.
- xxii) Order dated 10.03.2011 in R.P.No.9 of 2009 & I.A.No.18 of 2009 in O.P.No.17 to 20 of 2008: In the Petition filed by SCR, the Commission answered the issues (i) exceeding the contracted demand by railway traction services due to feed extension from a contiguous traction supply point arising out of maintenance of lines and substations or breakdowns and (ii) non-release of additional load to railway traction services and consequent penal charges; as agreed/arrived by all the parties, the review is ordered accordingly.
- xxiii) Orders dated 10.03.2011 in O.P.Nos.26 and 28 of 2009: The Commission dismissed the petition filed u/s 52, 62(1) and 94(f) of the Act by APTransco & Discoms seeking revision of operating parameters and deletion of provision for usage of naphtha in the PPA.
- xxiv) Order dated 12.03.2011 in I.A.No.2 of 2011 in R.P.No.84 of 2003 in O.P.No.1075 of 2000: The Commission allowed the application filed u/s 94(2) of the Act by M/s Ganapati Sugar Industries Ltd. (Petitioner) and directed the respondents viz., APTransco & Discoms not to make recovery of payments from the monthly bills for power supplied by the NCE generators pending disposal of the main R.P. by the Commission.
- xxv) Order dated 14.03.2011 in R.P.(SR)No.26 of 2010 & I.A.(SR)No.26(A) of 2010 in O.P.No.21 of 2008: The Commission dismissed the petition filed by APTransco (Petitioner) to condone the delay in filing the review petition.
- xxvi) Orders dated 16.03.2011 in O.P.(SR)Nos.52, 56, 60 and 61 of 2010: The Commission allowed the petition filed by Discoms under clause 19 of Regulation, 2005 for corrections for uncontrollable items and controllable items and sharing of gains/losses of controllable items for the 1st control period.
- xxvii) Orders dated 26.03.2011 in O.P.No.22 of 2009: The Commission dismissed the petition filed u/s 86 of the Act and under clauses 8 and 9 of the APERC Conduct of Business regulations by APTransco (Petitioner) against M/s Spectrum Power Generation Ltd. (Respondent).
- xxviii) Orders dated 26.03.2011 in O.P.No.23 of 2009: The Commission in orders in petition filed u/s 86(1)(f) of the Act read with Regulation No.2 of 1999 by M/s Sitapuram Power Ltd., to set aside to that extent the portions of the letters dated 27.09.2008 & 13.11.2008 by the respondents (APTransco) as prayed by the petitioner that there is no requirement for obtaining a transmission license for supply of electricity through a dedicated transmission line by a

captive generating plant to its captive user.

- xxix) Order dated 30.03.2011 in O.P.Nos.02 to 05 of 2011: The Commission passed orders on ARR filings and Retail Supply Tariff proposals for the FY 2011-12 u/s 62 of the Act made by the Discoms
- xxx) Order dated 30.03.2011 in O.P. Nos.18 of 2010, 01 of 2011, 07 of 2011 and 06 of 2011: The Commission passed orders on the ARR/ERC filings u/s 62 of the Act made by Siricilla, Kuppam, Cheepurupally, and Anakapally RESCOs respectively for the year 2011-12.

4.2 **Regulations:**

- 4.2.1 The Commission notified One (1) Amendment Regulation during the year, under the Act after following the procedure of previous publication, as detailed hereunder:
- 4.2.2 The APERC First Amendment to Regulation 2 of 2007 (Appointment of Vidyut Ombudsman and Terms & Conditions of Service) under subsections (6) and (7) of Section 42 read with Section 181 of the Act. This regulation was notified in the AP Extraordinary Gazette on 10.06.2010. This Regulation amends clause 3(f) "*Pay and Allowances of Ombudsman*" of Regulation No.2 of 2007 i.e., amends the Pay Scale of Ombudsman from Rs.22,400-525-24,500 to Rs.67,000-79,000, further specifies that where a retired person is appointed as Ombudsman, the gross pension, including the commuted value thereof, together with dearness relief shall be deducted from the monthly salary.

CHAPTER-V

CONSUMER ADVOCACY & RIGHT TO INFORMATION

5.1 Consumer Advocacy:

5.1.1 In discharge of its obligation to protect and to promote the interest of the consumers the Commission notified the following Regulations.

- APERC (Consumer's Right to Information) Regulations, 2000 [Regulation No.7 of 2000] notified on 04.09.2000.
- APERC (Establishment of Forum and Vidyut Ombudsman for Redressal of Grievances of Consumers) Regulation, 2004 [Regulation No.1 of 2004] notified on 06.02.2004 read with its First Amendment Regulation notified on 01.10.2007.
- APERC (Licensees' Standards of Performance) Regulation, 2004 [Regulation No.7 of 2004] notified on 22.06.2004 read with its First Amendment Regulation notified on 19.08.2005.
- APERC (Appointment of Vidyut Ombudsman and Terms & Conditions of Service) Regulation, 2007 [Regulation No.2 of 2007] notified on 03.07.2007 read with its First Amendment Regulation notified on 19.06.2010.

5.2 Standards of Performance (SoP) of Discoms:

5.2.1 In order to improve reliability and Quality of Supply (QoS) to be adhered to by the Licensees, the Commission initially notified APERC (Standards of Performance) Regulations, 2000 [Regulation No.6 of 2000] on 04.09.2000, under section 9(2) and 54 of the Reform Act.

5.2.2 Subsequently after enactment of the Act, the Commission on 22.06.2004 notified, APERC (Licensees' Standards of Performance) Regulation, 2004 duly repealing the Regulation No.6 of 2000. This Regulation contained (a) Guaranteed SoP, being the minimum standards of service that a distribution licensee shall achieve to individual consumers, (b) Overall Service Standards which the licensee shall seek to achieve in the discharge of obligation as a Licensee, and (c) The compensation payable and manner of payment of compensation to consumers for non-compliance of the Standards in terms of provisions of Section 57 of the Act.

5.2.3 Later on, the Commission has notified on 19.08.2005, APERC (Licensees' Standards of Performance First Amendment) Regulation, 2005.

5.2.4 The following are the details of Citizen Charter/Guaranteed SoP and Compensation payable by Discoms in case of violation.

Sl. No.	Service Area	Standard	Compensation payable in case of violation of Standard	
			To individual consumer if the event affects a single consumer	To individual consumer if the event affects more than one consumer
1	Normal Fuse-off			
(a)	Cities and towns	Within 4 working hours	Rs.50 in each case of default	Rs.25 to each consumer affected
(b)	Rural areas	Within 12 working hours		
2	Overhead Line/cable breakdowns			
(a)	Cities and towns	Within 6 hours	Rs.50 in each case of default	Rs.25 to each consumer affected
(b)	Rural areas	Within 24 hours		
3	Underground cable breakdowns			
(a)	Cities and towns	Within 12 hours	Rs.50 in each case of default	Rs.25 to each consumer affected
(b)	Rural areas	Within 48 hours		

Sl. No.	Service Area	Standard	Compensation payable in case of violation of Standard	
			To individual consumer if the event affects a single consumer	To individual consumer if the event affects more than one consumer
4	Distribution Transformer failure			
(a)	Cities and towns	Within 24 hours	Rs.100 in each case of default	Rs.50 to each consumer affected
(b)	Rural areas	Within 48 hours		
5	Period of Scheduled Outage			
(a)	Maximum duration in a single stretch	Not to exceed 12 hours	Rs.100 in each case of default	Rs.50 to each consumer affected
(b)	Restoration of supply	By not later than 6 PM		
6	Voltage fluctuations			
(a)	No expansion/enhancement of network involved	Within 10 days	Rs.50 for each day of default	Rs.25 to each consumer affected for each day of default
(b)	Up-gradation of distribution system required	Within 120 days	Rs.100 for each day of default	Rs.50 to each consumer affected for each day of default
(c)	Erection of Substation	Within the time period as approved by the Commission	Rs.250 for each day of default	Rs.125 to each consumer affected for each day of default
7	Meter complaints			
(a)	Inspection and replacement of slow, fast/creeping, stuck-up meters	Inspection within 7 days in towns and cities and within 15 days in rural areas and replacement within 15 days thereafter.	Rs.50 per each day of default	Not Applicable
(b)	Replace burnt meters if cause attributable to Licensee	Within 7 days	Rs.50 for each day of default	Not Applicable
(c)	Replace burnt meters if cause attributable to consumer	Within 7 days of receiving payment from consumer		Not Applicable
8	Application of new connection/additional load			
(i)	Connection feasible from existing network			
(a)	Release of supply	Within 30 days of receipt of application (along-with prescribed charges)	Rs.50 for each day of default	Not Applicable
(ii)	Network expansion/enhancement required to release supply			
(a)	Release of supply - Low Tension	Within 30 days of receipt of prescribed charges	Rs.50 for each day of default	Not Applicable
(b)	Release of Supply - High Tension 11 kV	Within 60 days of receipt of prescribed charges	Rs.250 for each day of default	
(c)	Release of Supply - High Tension 33 kV	Within 90 days of receipt of prescribed charges		
(d)	Release of Supply - Extra High Tension	Within 180 days of receipt of prescribed charges		
(e)	Erection of substation required for release of supply	Within the time period approved by the Commission	Rs.500 for each day of default	
9	Transfer of ownership and conversion of services			
(a)	Title transfer of ownership	Within 7 days along-with necessary documents and prescribed fee, if any	Rs.50 for each day of default	Not Applicable
(b)	Change of category	Within 7 days along-with necessary documents and prescribed fee, if any		
(c)	Conversion from LT 1-ph to LT 3-ph and vice-versa	Within 30 days of payment of charges by the consumer		
(d)	Conversion from LT to HT and vice-versa	Within 60 days of payment of charges by the consumer		

Sl. No.	Service Area	Standard	Compensation payable in case of violation of Standard	
			To individual consumer if the event affects a single consumer	To individual consumer if the event affects more than one consumer
10	Resolution of complaints on consumer's bill			
(a)	If no additional information is required	Within 24 working hours of receipt of complaint	Rs.25 for each day of default	Not Applicable
(b)	If additional information is required	Within 7 working days of receipt of complaint		
11	Reconnection of supply following disconnection due to non-payment of bills			
(a)	Cities and Towns	Within 4 working hours of production of proof of payment by consumer	Rs.50 in each case of default	Not Applicable
(b)	Rural Areas	Within 12 working hours of production of proof of payment by consumer		

5.2.5 The Commission reviewed the QoS data submitted by the Discoms in terms of their overall SoP. The Commission u/s 59(2) of the Act published the information on SoP of Discoms for the year 2010-11 in its websiet.

5.3 **The Forum for Redressal of Consumer Grievances:**

5.3.1 In pursuant to the provisions of APERC Regulation No.1 of 2004, all the Discoms have established the Forum for Redressal of Consumer Grievances (CGRFs). 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.

5.3.2 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.

5.3.3 As required under the first amendment to Regulation No.1 of 2004, the Commission vide proceedings No.APERC/Secy/DD(CA)/09-04, dated 23.04.2009 has nominated 4th Member of CGRF of the respective Discoms for period of two years.

5.3.4 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 2010-11 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	435	424
2)	APEPDCL	08-01-2005	641	552
3)	APNPDCL	06-01-2005	41	35
4)	APSPDCL	06-01-2005	407	343
Total			1524	1354

5.4 **Vidyut Ombudsman:**

5.4.1 The institution of Vidyut Ombudsman was established in September

2005, pursuant to the Commission proceeding No.Secy/04, dated 19.09.2005 designating the Director (Law) of the Commission as ex-officio Vidyut Ombudsman for the State pending notification of the Regulation on the terms and conditions of service of Vidyut Ombudsman and his Staff.

- 5.4.2 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.
- 5.4.3 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.
- 5.4.4 During the year 2010-11, a total of 61 appeals have been received by the Vidyut 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 Vidyut Ombudsman.
- 5.5 **Consumer Assistance Cell in the Commission:**
- 5.5.1 Consumer Assistance cell of the Commission guides and helps the consumers who approach the Commission for guidance on the redressal of their grievances pertaining to the consumer service. The written representations received from the Consumers were sent to the respective Discoms/CGRFs according to the stage of handling of the complaint. Also, assists the Commission in conduct of Public Hearings by compiling and summarizing both the written and oral suggestions/ comments of the stakeholders and the corresponding responses from the respective Licensees during the public hearings.
- 5.6 **Consumer Day:**
- 5.6.1 Since 2007, the formation day of APERC i.e., 3rd April, is being observed by all the Discoms across the state as 'Consumer Day'. On this day, the Discoms were making special arrangements for immediate redressal of complaints. All EROs, sub-EROs, Officers and Staff were made present to resolve the complaints on the spot. Apart from this, the Discoms were also conducting various Consumers' education programmes at offices of Corporate, CGRF, Zonal, Circle, Division and sub-division levels on the following points.
- SoP specified by the Commission, emphasizing on the compensations payable by the Discoms, in case of non-compliance of the specified service with the stipulated time.
 - Significance of Demand Side Management (DSM) measures to be

observed in Agriculture Sector.

- The directives issued by the Commission in protection of interests of the consumers.
- Safety measures to be adopted on usage of various electrical appliances.
- Energy Conversation tips to be followed.

5.7 **Consumer Participation in Regulatory Decision:**

5.7.1 The Consumer participation in Electricity Regulatory process is necessary and important to ensure transparency and accountability of the process. The Act requires the Commission to consult consumers on important policy and regulatory matters before arriving at any decision.

5.7.2 The regulatory matters were brought in the public domain through publication of Public Notice in daily newspapers, issuing Press Releases and also by placing the matter in the website of the Commission seeking suggestions/comments from the interested persons and stakeholders.

5.7.3 **Public Hearings:** APERC organized Public Hearings on the following matters during FY 2010-11. At the Public Hearings, apart from the registered objectors, the persons/organizations who had turned up at the venue directly were also heard and their petitions/suggestions were also considered:

Date	Venue	Subject matter	No. of Registered Objectors
23.06.2010	Siddhartha College, Auditorium, Mogalirajapuram, Vijayawada (APSPDCL)	Distribution Licensees Filings on ARR and Tariff proposals for the Retail Supply business for the FY 2010-11	99
24.06.2010	IADP Meeting Hall, Near Fire Centre, Eluru, West Godavari (APEPDCL)		76
28.06.2010	Silla Parishad Meeting Hall, Waira Road, Khammam (APNPDCL)		65
30.06.2010	FAPCCI Meeting hall, Red Hills, Lakdi-ka-pul, Hyderabad (APCPDCL)		89
26.02.2011	Zilla Praja Parishad Meeting Hall, Kadapa (APSPDCL)		60
28.02.2011	Institute of Engineers, Khairathabad, Hyderabad (APCPDCL)		26
01.03.2011	APERC Court Hall, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad (APNPDCL)		20
04.03.2011	New Meeting Hall, Zilla Praja Parishad, Srikakulam (APEPDCL)		33

5.8 **Implementation of Right to Information Act, 2005:**

5.8.1 In pursuance of provisions of section 5(1) and 19(1) of the Right to Information Act, 2005 (No.22 of 2005), the Commission designated the following officers, vide proceedings No.Secy/08 dated 28.12.2005, as State Public Information Officer (SPIO) and 1st Appellate Authority under RTI Act, 2005.

State Public Information Officer of the APERC 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

5.8.2 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. The consolidated statements on the applications & 1st appeals received and disposed of under the RTI Act for the period 01.01.2011 to 31.12.2011 as submitted to GoAP are as given below:

Sl. No.	Total No. of applications pending as on end of last year 2009	Total No. of applications received during the year 2010	Total No. of applications disposed during the year 2010	Total No. of applications pending	Out of cases disposed,			Amount of total application fee and charges collected for furnishing information
					Information furnished	Deemed refusal u/s 7(2)/ 18(1)	Rejected u/s 6, 8, 9, 11, 24, Other	
1	Nil	40	36	4	33	Nil	3	Rs 2,782/-

Sl. No.	Total No. of 1 st appeals pending as on end of last year 2009	Total No. of 1 st appeals received during the year 2010	Total No. of 1 st appeals disposed during the year 2010	Total No. of 1 st appeals pending	Out of cases disposed,		Amount of charges collected for furnishing information
					Information furnished	Rejected u/s 6, 8, 9, 11, 24, Other	
1	1	11	11	1	10	1	Nil

CHAPTER-VI ACCOUNTS & AUDIT

6.1 Grant in Aid:

APERC is funded by the budgetary provisions of the State Government by way of Grants-in-aid. During the year the Commission has received Rs.5.75 crore as Grants-in-Aid towards Salaries (Rs.3.69 crore) and Other Grants-in-aid (Rs.2.06 crore) from GoAP 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 received an amount of Rs.6.116 crore during the year towards Licence fee from Licensees and Rs.0.20 crore towards Licence Exemption Fee from exemptees 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 Act. 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 Reform Act.

- i) Receipts and Payments Account for the year ended 31st March, 2011
- ii) Income and Expenditure Account for the year ended 31st March, 2011.
- iii) Balance Sheet as on 31st March, 2011

6.6 Audit of Accounts:

The CAG have audited the financial statements of the Commission in accordance with section 104(2) of the Act. The Audit Certificate-cum-Separate Audit Report containing the comments of the CAG on the accounting treatment received vide letter No.AG(E&RSA)/ES-II(Power)/APERC-10-13//2014-15/27 dated 02.09.2014 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 2011.**

1. We have audited the attached Balance Sheet of Andhra Pradesh Electricity Regulatory Commission, Hyderabad (APERC) as on 31st March, 2011 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 Expenditure over Income amounting to Rs.47.83 lakh had been reduced to Rs.30.00 lakh and total assets and liabilities of the Balance sheet have also been decreased by Rs.0.81 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.5.75 crore received during the year (Rs.1.44 crore was received in March 2011), APERC could utilize a sum of Rs.6.91 crore leaving a balance of Rs.2.34 crore (previous year 3.50 crore) as unutilized grant as on 31st March 2011.

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, 2011; and

b) In so far as it relates to the Income and Expenditure Account of the deficit for the year ended on that date.

Place: Hyderabad
Date: 28.08.2014

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

ANNEXURE TO SEPARATE AUDIT REPORT 2010 - 11

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 was not remitting the receipts into the Government accounts regularly. It remits the receipts only once in a year.

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

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Receipts	Current Year 2010-11	Previous Year 2009-10	Payments	Current Year 2010-11	Previous Year 2009-10
	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	8446444	1676869
State Bank of India	34025056	21494093	b) <u>Other Benefits</u>		
Indian Overseas Bank	14373710	3446779	Water Charges	2823	12355
b) Cash on Hand	11602	57900	Electricity Charges	72894	85801
To <u>Grants-in-Aid</u>			Leased Accommodation	382742	371000
a) Towards Revenue A/c	57504000	59775000	Security Guards Charges	122400	160300
b) Towards Capital A/c			Newspaper Charges	16061	14923
To Licence Fee	61167813	60296293	Perquisites Tax	882386	339807
To Licence Exemption Fee	2005210		c) Transfer TA	0	0
To <u>Loans</u>			d) <u>Travelling Expenses</u>		
a) From Govt.			i) Overseas	16705	44538
b) From Others Specify			ii) Domestic	168469	226511
To <u>Sales</u>			By Pension and Retirement Benefits	2475005	458593
a) Sale of Publications			By <u>Pay & Allowances to Officers and Staff</u>		
b) Sale of Assets			a) Salaries	43168136	30223079
c) Sale of Tender Documents			b) Wages	1620444	1413865
d) Sale of Investments			c) <u>Other Benefits</u>		
To <u>Interest Income</u>			Newspaper Charges	6997	4112
a) Interest on Investments			Transfer TA	0	7852
b) Interest on Deposits	409240	663967	d) <u>Travelling Expenses</u>		
To <u>Recoveries towards Loans & Advances</u>			i) Overseas	0	0
a) Principal	562665	709079	ii) Domestic	192566	184856
b) Interest	70021	153048	e) Over Time		
To <u>Recoveries for Remittance</u>			f) Honorarium by hiring of Man Power		
a) Income Tax	52136	50469	By Pension and Retirement Benefits	0	650694
b) Salary Recoveries	0	0	By <u>Office Expenses</u>		
To <u>Miscellaneous Receipts</u>			a) Printing & Stationery	449849	303211
a) Sale of Tariff Order	153560	24940	b) Publication Expenses		
b) Recruitment Fee	0	0	c) Postage & Telegram Charges	31038	40331
c) Miscellaneous	12821	33814	d) Telephone Charges	677435	613465
d) Fee for Filing Petitions	337600	404314	e) Electricity & Water Charges	1084251	1000430
e) Temporary Advance	58900	4000	f) Insurance, Rents & Taxes	4794069	5285276
f) Tour Advance	27200		g) POL	433137	362758
To Terminal Benefits received from OERC	643122		By AMC & Other Miscellaneous Expenses	749605	932426
To Vidyut Ombudsman Fund	1804000		By Advertisement Expenses	279728	1567430
To Refund of Deposits	16000		By Training Expenses	0	35788
To Refund of Deposits from Land Lords	81000		By Hiring of Private Vehicles	1042897	664836
			By Payment of Professional and Special Services	2347511	444303
			By Subscription & Membership	430975	453503

Receipts	Current Year 2010-11	Previous Year 2009-10	Payments	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.		Rs.	Rs.
			By Hospitality Charges	106402	64898
			By Receipts remitted to Government of AP A/c	60000000	50000000
			By Audit Fee	0	0
			By <u>Repairs & Maintenance</u>		
			a) Buildings	0	7620
			b) Vehicles	149628	126946
			By <u>Capital Expenditure</u>		
			Office Vehicles	0	0
			Furniture (Office)	56385	34665
			Computers	358164	373900
			Air-Conditioners	29800	24150
			Books	0	0
			Miscellaneous Assets	275350	31595
			<u>Furniture (Commissioners)</u>		
			Annexure-I	3298	9300
			Annexure-II	0	6955
			By <u>Deposits</u>		
			a) Telephones	0	0
			b) Advance to Leased Premises	9000	90000
			c) Temporary Advance	114221	0
			d) Traveling Allowance Advance	25400	25012
			e) EMDs	0	0
			By <u>Banker Charges</u>		
			a) Interest		
			b) Collection	100	0
			c) Commission etc.,	0	0
			By Loans & Advances to Employees	140000	264039
			By <u>Repayment of Loans</u>		
			a) Government		
			b) Others		
			By I.Tax & Other Recoveries Remitted to Govt. A/c	50469	65336
			By Transfer to Receipts A/c	0	0
			By <u>Closing Balances</u>		
			a) Cash on Hand	10486	11602
			b) <u>Cash at Bank</u>		
			State Bank of India	23397534	34025056
			Indian Overseas Bank	18694852	14373710
Total	173315656	147113696	Total	173315656	147113696

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Expenditure	Schedule	Current Year	Previous Year	Income	Schedule	Current Year	Previous Year
		2010-11	2009-10			2010-11	2009-10
		Rs.	Rs.			Rs.	Rs.
To Salaries	A	43061955	30429759	By Grants-in-Aid			
To Travelling Expenses	B	373785	447916	a) For Salaries		36886000	39157000
To Retirement Benefits	C	1319745	1096482	b) Other Revenue Grants-in-aid		20618000	20618000
To Wages				By Vidyut Ombudsman Fund		1804000	0
To Overtime				By Excess of Expenditure Over Income (Transferred to Capital account)		2999614	
To Training Expenses		0	35788				
To Hiring of Man Power		1491312	1310377				
To Office Expenses	D	10222702	9130635				
To Repairs and Maintenance		149628	134566				
To Staff Welfare Expenses		0	0				
To Loss on Sale of Assets/Investments		0	0				
To Advertisement Expenses		198480	1567430				
To Depreciation	E	1029481	1136759				
To Bad Debts Written off		0	0				
To Vidyut Ombudsman's Expenses		81248	0				
To Provisions for Outstanding Expenses							
Salaries		1508591	2688728				
6 th Pay Commission Arrears		0	8419000				
Travelling Expenses		130229	3955				
Office Expenses		907434	1955658				
Pension & Other Benefits		583581	1155260				
Hiring of Man Power		149443	129132				
Audit Fee		100000	100000				
LSC/PC		1000000					
To Excess of Income over Expenditure (Transferred to Capital account)		0	33555				
Total		62307614	59775000	Total		62307614	59775000

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
BALANCE SHEET AS ON 31st MARCH, 2011**

Liabilities	Schedule	Current Year	Previous Year	Assets	Schedule	Current Year	Previous Year
		2010-11	2009-10			2010-11	2009-10
		Rs.	Rs.			Rs.	Rs.
Funds				Fixed Assets	E		
a) Capital Funds		24926490	24892935	Gross Block		26285047	25501941
Add: Excess of Income Over Expenditure		0	33555	Less Depreciation	(-)	20544444	19514963
b) Capital Grants				Net Block		5740603	5986978
Less: Excess of Expenditure Over Income		2999614	0				
		21926876	24926490				
Reserves				Capital Work in Progress	E		
<u>Loans From:</u>	L			Investments	F		
a) Government				Deposits and Advances	G	358381	461660
b) From Others				Loans and Advances to Staff	H	1588589	2011254
<u>Current Liabilities and Provisions</u>				Accounts Receivable	I		
Vidyut Ombudsman Fund		0	0	Other Current Assets	J		
Due to Government (Receipts)		21977938	17178651	Cash and Bank Balances	K	42102872	48410368
<u>Provisions for Outstanding Expenses</u>							
Salaries		1508591	2688728				
6 th Pay Commission Arrears		0	8419000				
Travelling Expenses		130229	3955				
Office Expenses		907434	1955658				
Hiring of Manpower		149443	129132				
Payment to SCCL (infra)		12917	12917				
Due to Income Tax Dept.		52136	50469				
Pension & Other Benefits		583581	1155260				
Recoveries towards Salary Deductions							
Audit Fee		450000	350000				
LSC/PC		2000000					
Digitech Peripherals (10kV UPS)		91300					
Total		49790445	56870260	Total		49790445	56870260

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2010-11**

Schedule-A

Salaries	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Salaries to Chairman & Members	8446444	1676869
Salaries to Officers & Staff	43168136	30223079
Other benefits to Chairman & Members	1548106	984186
Other benefits to Officers & Staff	6997	4112
Total	53169683	32888246
LESS: Pertaining to Previous Year	10107728	2458487
Balance	43061955	30429759
ADD: Outstanding Liabilities for Current Year	1508591	2688728
TOTAL	44570546	33118487

Schedule-B

Particulars	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Travelling Allowances to Chairman & Members		
a) Overseas	16705	60950
b) Domestic	168469	226511
Travelling Allowances to Officers & Staff		
a) Overseas	0	0
b) Domestic	192566	184856
Transfer T.A.	0	7852
Total	377740	480169
LESS: Pertaining to Previous Year	3955	32253
Balance	373785	447916
ADD: Outstanding for Current Year	130229	3955
TOTAL	504014	451871

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2010-11**

Schedule-C

Retirement benefits	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Contribution to Provident Fund		
Pension	2475005	458593
Gratuity	0	0
Other benefits	0	650694
Total	2475005	1109287
LESS: Pertaining to Previous Year	1155260	12805
Balance	1319745	1096482
ADD: Outstanding for Current Year	583581	1155260
TOTAL	1903326	2251742

Schedule-D

Office Expenses	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Printing & Stationery	449849	303211
Postage & Telegram Charges	31038	40331
Telephone Charges	677435	613465
Electricity & Water Charges	1084251	1000430
Insurance, Rents & Taxes	4794069	5285276
POL	433137	362758
Other Miscellaneous Expenditure	780796	932426
Hiring of Private Vehicles	1042897	664836
Payment of Professional & Special Services	2347511	444303
Subscription & Membership	430975	453503
Hospitality Charges	106402	64898
Audit Fee	0	0
Total	12178360	10165437
LESS: Pertaining to Previous Year	1955658	1034802
Balance	10222702	9130635
ADD: Outstanding for Current Year	907434	1955658
TOTAL	11130136	11086293

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2010-11**

Schedule-E

Name of the Asset	Gross Block				As on 01-04-2010	Rate of Depreciation	Depreciation			As on 31-03-2011 (B)	Net Block (A) - (B)
	Original cost	Additions during the year 2010-11	Deductions	Cost as on 31-03-2011 (A)			For the year 2010-11				
							Existing stock	Current year's stock	Adjustments		
Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	
Cars	2335948			2335948	502808	9.50%	221915			724723	1611225
Furniture (Office)	2601253	37494		2638747	1416753	6.33%	164659	1642		1583054	1055693
Furniture (Commissioners)											
Annexure-I	29691	3298		32989	17346	50.00%	10767	1125		29238	3751
Annexure-II	428842			428842	118729	15.00%	46517			165246	263596
Computers	5461407	358164		5819571	5081045	16.21%	69646	52458		5203149	616422
Software	1996080	54600		2050680	1756141	20.00%	202726	2812		1961679	89001
Projector	83232			83232	52933	16.21%	13492			66425	16807
Air-Conditioners	2018468	29800		2048268	671427	4.75%	95877	1392		768696	1279572
Stabilizers	73200			73200	35113	4.75%	3477			38590	34610
Fax Machine	58500			58500	29882	4.75%	2779			32661	25839
Type Writer	10375			10375	5300	4.75%	493			5793	4582
Water Cooler	20746			20746	10630	4.75%	985			11615	9131
Ceiling Fans	76908			76908	31371	4.75%	3653			35024	41884
Refrigerator	14990			14990	7357	4.75%	712			8069	6921
Modi Xerox	146090			146090	70257	4.75%	6939			77196	68894
EPABX	232619			232619	114174	4.75%	11049			125223	107396
Court Hall Furniture	309630			309630	207433	6.33%	19600			227033	82597
Franking Machine	59280			59280	18069	4.75%	2816			20885	38395
Televisions	101435			101435	14472	16.21%	16443			30915	70520
10 kV UPS	0	299750		299750	0	16.21%	0	47258		47258	252492
Servers 2 Nos	174271			174271	84747	16.21%	28249			112996	61275
Books	398331			398331	398331					398331	0
Public Address System 2008-09	187965			187965	187965					187965	0
Wooden Partition 2008-09	684968			684968	684968					684968	0
M.S. and Ceiling Mount Kit 2009-10	45795			45795	45795					45795	0
Infrastructure 2009-10	7862917			7862917	7862917					7862917	0
100 mbps Switches 2009-10	89000			89000	89000					89000	0
Total	25501941	783106	0	26285047	19514963		922794	106687	0	20544444	5740603

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2010-11**

Schedule-G

Deposits and Advances	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Deposits with Government	0	0
Deposits with Private parties	0	0
Advances to Government & Government Companies	0	0
Advances to Others		
Telephone Deposits	94760	110760
Tata Cellular Deposits	24000	24000
Advance for Leased Accommodation	99000	239800
Milk (APDDCF Ltd.)	1000	1000
T.A. Advance	25400	27200
Temp. Advance	114221	58900
Total	358381	461660

Schedule-H

Loans & Advances	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Loans and Advances to Employees	1588589	2011254
Loans and Advances to Contractors	0	0
Other Loans & Advances	0	0
Total	1588589	2011254

Schedule-K

Cash and Bank balances	Current Year 2010-11	Previous Year 2009-10
	Rs.	Rs.
Cash on Hand	486	1602
Imprest	10000	10000
Balance with Banks		
State Bank of India	23397534	34025056
Indian Overseas Bank	18694852	14373710
Total	42102872	48410368

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
ANNUAL ACCOUNTS 2010-11**

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 2010-11**

- 1) The Accounts of the Commission are prepared on accrual basis except for Receipts of the Commission, 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