



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

D.No.11-4-660, 4th Floor, Singareni Bhavan,
Red Hills, Hyderabad - 500 004

1st ANNUAL REPORT 2014-15

(For the period from 03-11-2014 to 31-03-2015)

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ABBREVIATIONS

A.P./AP	Andhra Pradesh
Act 2003	The Electricity Act, 2003 (Act No. 36 of 2003)
Act 2014	The Andhra Pradesh Reorganisation Act, 2014 (Act No. 6 of 2014)
APEPDCL	Eastern Power Distribution Company of Andhra Pradesh Limited
APERC	Andhra Pradesh Electricity Regulatory Commission
APGENCO	Andhra Pradesh Power Generation Corporation Limited
APSPDCL	Southern Power Distribution Company of Andhra Pradesh Limited
APSLDC	Andhra Pradesh State Load Dispatch Centre
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	Consumer Grievances Redressal Forum
DISCOM	Distribution Company/Distribution Licensee
ERC	Electricity Regulatory Commission
FOIR	Forum of Indian Regulators
FOR	Forum of Regulators
FY	Financial Year
G.O.	Government Order
GoAP	Government of Andhra Pradesh
HT	High Tension
I.A.	Interlocutory Application
IT	Information Technology
kV	Kilo-Volt
kWh	Kilo-Watt-hour
LAN	Local Area Network
LT	Low Tension
MW	Mega Watt
NCE	Non-Conventional Energy
NGO	Non-Governmental Organization
O.P.	Original Petition
SERC	State Electricity Regulatory Commission

CHAPTER-I

ORGANISATIONAL SETUP & ADMINISTRATION

1.1 The Commission:

- 1.1.1 The Government of India enacted the Electricity Act, 2003 (Central Act 36 of 2003, hereinafter referred to as the Act 2003) consolidating 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 and the said Act 2003 came into force w.e.f. 10-06-2003. While repealing the three earlier enactments viz., the Indian Electricity Act, 1910; the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998, the Act 2003 saved the provisions of the Andhra Pradesh Electricity Reform Act, 1998 which are not inconsistent with the provisions of the Act 2003 and they will continue to apply in the State of Andhra Pradesh.
- 1.1.2 In terms of the provisions of the Schedule XII (c) (3) of the Andhra Pradesh Reorganisation Act, 2014 (Central Act 6 of 2014, hereinafter referred to as the Act 2014) read with Section 82 of the Act 2003, the Government of Andhra Pradesh constituted SERC to be known as the Andhra Pradesh State Electricity Regulatory Commission, with one Chairman and two Members. Subsequently, GoAP issued an amendment notifying that the Commission shall be called Andhra Pradesh Electricity Regulatory Commission.
- 1.1.3 In exercise of the powers conferred under sub-section (2) of Section 84 of the Act 2003 and provisions contained in G.O. Ms. No. 35, Energy (Power.III) Department, dt. 01-08-2014, GoAP appointed Sri. Justice G. Bhavani Prasad, retired High Court Judge of erstwhile State of Andhra Pradesh as Chairman of the APERC for a term of five years with effect from the date he enters upon his office or till he attains the age of 65 years, whichever is earlier, vide G.O. Ms. No. 38 Energy (Power.III)

Department dt. 04-10-2014 and he was administered oath of office on 11-10-2014. In due course of time, GoAP appointed two other Members, vide G.O.Ms. No. 1 Energy I & I (Power III) Department dt. 04-02-2015 and they were administered oath of office on 11-02-2015.

1.1.4 The names of the incumbent Chairman & Members of the Commission are shown below:

Sri Justice G. Bhavani Prasad	Chairman	since 11-10-2014 onwards
Dr. P. Raghu	Member	since 11-02-2015 onwards
Sri P. Rama Mohan	Member	since 11-02-2015 onwards

1.1.5 On 18-02-2015, Dr. P. Raghu, Member, APERC participated in the Parliamentary Committee meeting held at New Delhi on examination of “the Electricity (Amendment) Bill, 2014”.

1.2 Functions and Duties of the Commission:

1.2.1. Section 86 (1) of the Electricity Act, 2003 enumerates the functions of SERCs namely:-

- a) 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 State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- b) 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) facilitate intra-State transmission and wheeling of electricity;
- d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- e) 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) adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- g) levy fee for the purposes of the Act;
- h) specify State Grid Code consistent with the Grid Code specified under clause (h) of sub-section (1) of section 79;
- i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- j) fix the trading margin in the intra-State trading of electricity, if considered, necessary;
- k) discharge such other functions as may be assigned to it under this Act.

1.2.2 Further, Section 86 (2) of the Act 2003 states that 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 that Government.

1.2.3 Section 86 (3) of the Act 2003 mandates that the Commission shall ensure transparency while exercising its powers and discharging its functions.

1.2.4 Likewise, Section 86 (4) of the Act 2003 states that in discharge of its functions, the State Commission shall be guided by the National Electricity Policy, National Electricity Plan and Tariff Policy published under Section 3 of the Act, 2003.

1.3 Infrastructure:

1.3.1 **Office Premises:** In terms of division of premises and the guidelines issued, APERC is allotted 4th Floor of the premises bearing No. 11-4-660, Singareni Bhavan, Red Hills, Hyderabad on “as-is-where-is” basis. Accordingly and in pursuance of Regulation 3 (1) of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 it is specified that hence forth the office of the Commission is housed at the above mentioned premises.

- 1.3.2 **Office Seal:** An office order was issued adapting common / official seal of the Commission for the purposes of authentication of documents as required under Act 2003 as well as the Reform Act, 1998 and the Regulations made there under and the logo for the purposes of communication.
- 1.3.3 **Adaptation Regulation:** In exercise of powers conferred by Section 181 of the Act 2003 and all other powers hereunto enabling, including those conferred by the Reform Act and Act 2014, the Commission notified the APERC (Adaptation) Regulation, 2014 stating that all regulations made by, all decisions, directions or orders of, and all the licenses and practice directions issued by the erstwhile APERC shall apply in relation to the State of Andhra Pradesh and shall continue to have effect until duly altered, repealed or amended, by the competent authority.
- 1.3.4 **Amendment to Regulation No. 5 of 2014:** In exercise of powers conferred by subsection (1) of Section 181 of the Electricity Act, 2003 and all other powers, enabling it in this behalf, the Commission notified the APERC (Licensees's duty for supply of electricity on request) (First Amendment) Regulation No. 5 of 2014 and the same was published in the Andhra Pradesh Gazette on 29-11-2014.
- 1.3.5 **Local Area Network (LAN):** All the Desktop Computer systems installed in the office premises allotted to APERC are connected through a Local Area Network (LAN) enabling for access to any reference information and sharing of data. LAN enables information access at various locations more so in Conference Hall during the meetings. 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 software designed & maintained by in-house IT wing, viz., Tappal Movement, etc., for easy identification and locating the movement of Tappal received.
- 1.3.6 **Intranet:** With an endeavor to make information available to all users, computers available in the office of the Commission are connected through intranet. It provides access to daily Newspaper clippings, Hearing Schedule, etc. All useful information is thus made available to the officers and staff of the Commission, which helps users communicate and transfer files and makes sharing of information easy.

1.3.7 **Website (Internet):** The website of APERC has been in operation with URL address www.aperc.gov.in. All acts, decisions and orders of the Commission are being uploaded in the website from time to time. The website is also used for announcing the dates of Public Hearings and Court Hearings being conducted by the Commission; Public Notices, Press Releases, Concept Papers, Proceedings, etc., issued by the Commission; Regulations notified by the Commission. It also provides information on CGRFs and Vidyut Ombudsman. 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.

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

1.3.9 **Daily Newspaper Clippings :** In order to keep the Commission abreast with the latest developments in the power sector within and outside the State, newspaper clippings are being collected daily and put up to the Commission for its perusal.

1.4 Staffing Position:

1.4.1 The Commission has been organized into five wings viz., Secretariat, Administration, Engineering, Law and Tariff and is being supported by officers appointed by the Commission comprising of electrical engineers, economists, financial analysts, legal personnel, administrators and other required staff. 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 read with its First Amendment Regulation notified on 25-04-2006 and supplementary Regulation notified on 30-07-2013.

- 1.4.2 Out of the (22) regular employees allotted to the Commission, officers and staff are assigned duties as shown below:

Sl.No.	Name of the employee	Designation
1	Dr.A.Sreenivas	Joint Director / Law
		Addl. Charge as Secretary
2	Dr.P.Rama Rao	Joint Director / Tariff – Economics
		Addl. Charge as Director / Tariff
3	Sri K.Sreedhar Reddy	Joint Director / Engineering
		Addl. Charge as Dy.Director / Transmission (work pertaining to Transmission) and SPIO under RTI Act, 2005
4	Sri P.Solomon Herme	Joint Director / Plng & Power Procurement
		Addl. Charge as Dy.Director / Transmission (work pertaining to PPP) and Dy.Director / Consumer
5	Sri B.Ramesh Babu	Deputy Director / Pay & Accounts
		Addl. Charge as Dy.Director / Personnel
6	Sri G.V.R.Yohendra Rao	Security Officer
7	Smt N.Sasikala	Steno-cum-Computer Operator
8	Smt P.V.Padmaja	Steno-cum-Computer Operator
9	Sri V.V.R.Acharyulu	Steno-cum-Computer Operator
10	Smt P.Vijaya Lakshmi	Clerk-cum-Computer Operator
11	Smt P.V.L.Sailaja	Clerk-cum-Computer Operator
12	Sri G.Nataraju	Clerk-cum-Computer Operator
13	Sri V.M.V.R.S.Sridhar	Personal Assistant
14	Smt G.Surya Kumari	Personal Assistant
15	Sri V.K.Ratnakar	Personal Assistant
16	Smt I.Usha Rani	Telephone Operator
17	Sri G.Venkateswara Rao	Receptionist
18	Sri M.Sudarsan	Caretaker
19	Sri P.Rama Krishna Murthy	Office Subordinate
20	Sri S.Srinivasa Rao	Office Subordinate
21	Sri K.Ramu	Security Guard

- 1.4.3 Director (Administration) provisionally allotted to the Commission continued to be on deputation as Vidyut Ombudsman for the states of Andhra Pradesh and Telangana and in the month of February, 2015 Vidyut Ombudsman for the state of Telangana was appointed. Thereafter, Director (Administration) APERC continued to function as the Vidyut Ombudsman for the state of Andhra Pradesh.

- 1.4.4 Sri M. Satya Murthy, who was working as Director (Engineering) on contract basis reported to the Commission in terms of G.O. Ms. No. 44 Energy I & I (PR-III) Department dt. 18-12-2014 and he worked in the said capacity on same terms and conditions during the period from 03-11-2014 to 31-03-2015.

- 1.4.5 The services Sri P.Murali Krishna, DE/Electrical/APTRANSCO were requisitioned to work on deputation and he joined the office of the Commission in the post of Deputy Director (Tariff - Engineering) on 09-01-2015.
- 1.4.6 In order to make necessary arrangements for translation of Tariff Orders, Rules, other Orders and Regulations related to Electricity sector from English to Telugu, the Commission appointed Sri D.S.V. Prasad, retired Additional Secretary to Government, Law Department of the erstwhile Andhra Pradesh, as Translator (Consultant).
- 1.4.7 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.

1.5 Human Resource Development:

- 1.5.1 Details of Training programmes attended by Officers and Staff of APERC during the period from 03-11-2014 to 31-03-2015 is as below:

Sl. No	Name of the Employee& Designation S/Sri	Details of the Program		
		Programme Name	Course Duration	Conducted By
1	Dr.A.Srinivas, Joint Director (Law)	7 th Capacity Building Training Programme	28-01-2015 to 31-01-2015	IIT, Kanpur
		8 th Capacity Building Training Programme	17-02-2015 to 21-02-2015	FOR, Singapore
2	K.Sreedhar Reddy Joint Director (Engineering)	International Seminar on “Implementation of PAT Scheme in Thermal Power Stations – Issues & Challenges”	30-01-2015	STEAG Energy Services (India) Pvt. Ltd., Noida.
3	P.Solomon Herme Joint Director (Planning & Power Procurement)	14 th Core Course on “Infrastructure Regulation & Reforms”	27-01-2015 to 29-01-2015	Bangladesh Institute of Administration and Management (BIAM), Dhaka, Bangladesh
4	B.Ramesh Babu, Deputy Director (Pay & Accounts)	International Seminar on “Implementation of PAT Scheme in Thermal Power Stations – Issues & Challenges”	30-01-2015	STEAG Energy Services (India) Pvt. Ltd., Noida.

1.6 State Advisory Committee (SAC):

1.6.1 In terms of Section 87 (1) of the Act, 2003 read with Regulation No. 2 of 2014, the Commission issued notification dt. 31-12-2014 constituting SAC, comprising of ten (10) Members nominated by it for a tenure of three (3) years with effect from 01-01-2015, with the Hon'ble Chairman of the Commission as the Ex-Officio Chairman of SAC. Subsequently, by notification dt. 24-01-2015, the Commission nominated six (6) more persons as Members of the SAC.

1.6.2 **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.

1.6.3 1st meeting of State Advisory Committee: The Commission discussed the following agenda points during the meeting held on 18-02-2015:

- i) introduction of the Members
- ii) views of Members on the Aggregate Revenue Requirement (ARR) and Tariff Proposals.
- iii) views of Members on the overall scenario the power sector.
- iv) suggestions for effective regulatory performance by the Commission
- v) any other points with the permission of the Chairman

1.6.4 2nd meeting of the State Advisory Committee: The Commission discussed the following agenda points during the meeting held on 03-03-2015:

- i) views of Members on the Aggregate Revenue Requirement (ARR) and Tariff Proposals.
- ii) any other points with the permission of the Chairman

1.6.5 Minutes of the SAC meetings: The minutes of all the SAC meetings were uploaded in the website from time to time.

1.7 State Co-ordination Forum:

- 1.7.1 During the period from 03-11-2014 to 31-03-2015 State Co-ordination Forum meeting was not conveyed as the Government of the residuary state of Andhra Pradesh is yet to constitute State Co-ordination Forum under sub-section (4) of section 166 of the Act 2993.

1.8 Southern Electricity Regulators Forum (SERF)

- 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 reforms 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 During the period from 03-11-2014 to 31-03-2015, 13th meeting of SERF was held at Ooty, Tamilnadu from 27th February to 1st March, 2015. The Chairman and Members of APERC could not participate in the said meeting, as the Commission conducted public hearings from 23rd – 28th February, 2015 at four different places in the State of Andhra Pradesh, in connection with determination of Retail Supply Tariff for FY2015-16.

1.9 Forum of Indian Regulators (FOIR):

FOIR is a society registered under the Societies Registration Act, 1860 (Registration No.S.36509 dt. 04-02-2000) 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. Special Meeting of the General Body Meeting of FOIR was held on 11-12-2014 at Kochi.

1.10 Forum of Regulators (FOR):

- 1.10.1 In order to coordinate the activities of CERC and SERCs, FOR has been constituted by the Government of India u/s 166(2) of the Act 2003, which is responsible for harmonization, co-ordination and ensuring uniformity of approach amongst the SERCs across the country and to achieve greater regulatory certainty in the electricity sector.

1.11 South Asia Forum for Infrastructure Regulation:

- 1.11.1 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.
- 1.11.2 Under the aegis of SAFIR, 14th Core Course on “Infrastructure Regulation and Reforms” was organised by Bangladesh Institute of Administration and Management (BIAM), Dhaka, Bangladesh from 27th to 29th January, 2015.

CHAPTER–II

LICENCES, INVESTMENT APPROVALS, ETC

2.1 Licences/Exemptions:

2.1.1 In terms of the APERC (Adaptation) Regulation, 2014, the following licenses issued under the provisions of the A.P. Electricity Reform Act, 1998 continued to be in force. Further, the Corporation / Company concerned continued to be deemed licensee under the Act

2003 in terms of the proviso to Section 14 there under and the conditions contained in the licences issued to them under the Reform Act shall be deemed to have been specified u/s 16 of the Act 2003, vide APERC (Deemed Licence Conditions) Regulation, 2004.

- i) Licence No.1 of 2000 (Transmission and Bulk Supply Licence) to Transmission Corporation of Andhra Pradesh Limited with effect from 01.02.2000 for a period of 30 years.
- ii) Licence No.12 of 2000 to the Eastern Power Distribution Company of Andhra Pradesh Limited, with effect from 01-04-2001 for a period of 30 years, vide order dt. 29-12-2000 O.P. No. 646 of 2000.
- iii) Licence No.15 of 2000 to the Southern Power Distribution Company of Andhra Pradesh Limited, with effect from 01-04-2001 for a period of 30 years, vide order dt. 29-12-2000 in O.P. No. 645 of 2000.

2.1.2 In terms of the APERC (Adaptation) Regulation, 2014 notified on 29-11-2014, order in proceedings No.APERC/Secy/50/2014, dt. 06-05-2014 granting extension of exemption for the period from 01-04-2014 to 31-03-2015 from the application of provisions of Section 12 of the Act 2003 in respect of four (4) Rural Electric Co-operative Societies viz., Sircilla, Anakapalli, Kuppam, and Cheepurupalli subject to terms and conditions of the licences earlier granted to them under the provisions of the Reform Act, continuous to be in force. However, consequent to bifurcation of the State, except Sircilla RESCO, other three (3) RESCOs continue to be under the regulatory jurisdiction of the Commission.

2.1.3 APERC issued Practice Directions on metering issues –Location, Ownership, Cost recovery mechanism and responsibilities of licensees Generating Companies, vide Practice Directions No. APERC/05/2015 dt. 29-01-2015.

2.2 **Investment approval – Transmission schemes:**

The Commission approved the investment of Rs. 1394.99 Cr. during the period from 03-11-2014 to 31-03-2015 for the following schemes proposed by AP Transco:

Sl.No.	Scheme Name	Estimated cost
1	400/220 kV Sub Station at Podili (Prakasam District) and Connected network	492.82
2	Erection of 132/33 kV Substation at Taticherla, Anantapur District & Connected Network	28.95
3	Erection of Solar Power – 1000 MW at Gani / panyam: Kurnool (Dist)	873.22
	Total	1394.99

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

The Commission has accorded conditional consent / approval u/s 21(4)(b) of the Reform Act, for the following PPAs for purchase of solar power from various NCE projects:

Sl.No.	Name of the Developer entered PPA	Capacity in MW	Type	Date of Conditional consent/consent
1	M/s. First Solar Power India Pvt Ltd.	40.00	Solar	21-02-2015
2	M/s. First Solar Power India Pvt Ltd.	40.00	Solar	21-02-2015
3	M/s. Aarohi Solar Pvt Ltd.	50.00	Solar	21-02-2015
4	M/s. ACME Jaisalmer Solar Power Pvt Ltd.	20.00	Solar	21-02-2015
5	M/s. Vishwatma Solar Energy Pvt Ltd.	30.00	Solar	21-02-2015
6	M/s. Niranjana Solar Energy Pvt Ltd.	20.00	Solar	21-02-2015
7	M/s. Waaneep Solar Pvt Ltd.	41.00	Solar	21-02-2015
8	M/s. Waaneep Solar Pvt Ltd.	9.00	Solar	21-02-2015
9	M/s. SEI Arushi Pvt Ltd.	30.00	Solar	21-02-2015
10	M/s. Azure Power Infrastructure Pvt Ltd.	50.00	Solar	21-02-2015
11	M/s. Rain Cements Ltd.	22.00	Solar	21-02-2015
12	M/s. Eaama Estates Pvt Ltd.	3.00	Solar	21-02-2015
13	M/s. SEI Green Flash Pvt Ltd.	30.00	Solar	21-02-2015
14	M/s. Dayanidhi Solar Power Pvt Ltd.	40.00	Solar	21-02-2015
15	M/s. Renew Solar Energy (Karnataka) Pvt Ltd.	30.00	Solar	21-02-2015
16	M/s. Renew Solar Energy (Karnataka) Pvt Ltd.	30.00	Solar	21-02-2015
17	M/s. Solarsys Energy Pvt Ltd.	50.00	Solar	21-02-2015
18	M/s. Solarsys Energy Pvt Ltd.	16.00	Solar	21-02-2015
19	M/s. Solarsys Energy Pvt Ltd.	10.00	Solar	21-02-2015
20	M/s. Solarsys Energy Pvt Ltd.	16.00	Solar	21-02-2015
21	M/s. Solarsys Energy Pvt Ltd.	8.00	Solar	21-02-2015
22	M/s. Bright Solar Renewable Energy Pvt Ltd.	10.00	Solar	21-02-2015
23	M/s. GRT Jewellers (India) Pvt Ltd.	6.00	Solar	21-02-2015
24	M/s. Rajaratna Energy Holdings Pvt Ltd.	5.00	Solar	21-02-2015
25	M/s. VBC Renewable Energy Pvt Ltd.	3.00	Solar	21-02-2015

CHAPTER-III

TARIFFS & DIRECTIVES

3.1 **Regulations for determination of Tariff:**

- 3.1.1 In terms of APERC (Adaptation) Regulation, 2014 dt. 29-11-2014, the following Regulations dealing with terms and conditions for determination of tariff under Multi-Year-Tariff (MYT) framework continue to apply and accordingly, each generator / licensee has to file an application for approval of its Aggregate Revenue Requirement (ARR) and Filing for Proposed Tariff (FPT).

Regulation No.	Regulation Title	Date of publication in the A.P. Gazette
4 of 2005	APERC (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005. (as amended, vide Regulation No. 1 of 2014 mentioned below)	14-11-2005
5 of 2005	APERC (Terms and Conditions for determination of Transmission Tariff) Regulation , 2005	30-11-2005
1 of 2006	APERC (Levy and collection of fees and charges by State Load Despatch Centre) Regulation, 2006	27-07-2006
1 of 2008	APERC (Terms and conditions for determination of tariff for supply of electricity by a generating company to a distribution licensee and purchase of electricity by distribution licensees) Regulation, 2008 read with Fixation of Control Period notification dt. 01-02-2010	01-09-2008
1 of 2014	Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity (First Amendment) read with Principal Regulation 4 of 2005	07-03-2014

3.2 **Transmission, Wheeling tariffs and SLDC charges for 3rd Control Period**

- 3.2.1 In terms of APERC (Adaptation) Regulation, 2014 dt. 29-11-2014, the following orders, all dt. 09-05-2014, in respect of tariffs / charges for 3rd control period (FY2014-15 to FY 2018-19) continue to apply:
- State Load Despatch Centre (SLDC) Annual Fee & Operating Charges, vide O.P.No. 61 of 2013;
 - Transmission tariffs for Transmission Business of erstwhile APTRANSCO, vide O.P. No. 62 of 2013; and
 - Wheeling tariffs for Distribution Business in respect of the then four DISCOMs, vide O.P.Nos. 64, 66, 68 & 70 of 2013.

3.3 Retail tariff determination for FY2015-16:

- 3.3.1 The Electricity Act, 2003 as well as the Regulation No.4 of 2005 mandate that a distribution licensee shall file for each of its licensed business an application for approval of its ARR for each year of the Control Period, not less than 120 days before the commencement of the first year of the Control Period, in such form and in such manner as specified and in accordance with the guidelines issued by the Commission. Therefore, the Commission issued Proceedings No.T-2/2014 dt.14-11-2014, directing APEPDCL & APSPDCL to file ARRs and FPTs for Retail Supply Business for FY2015-16 by 30-11-2014. Further, it was brought to the notice of the licensees that in view of the order dt.11-11-2011 of the Appellate Tribunal for Electricity (hereinafter referred to as the ATE) passed in O.P.No.1 of 2011, the Commission may be compelled to initiate *suo-motu* proceedings for tariff determination, in the event of delay in filing ARR and FPT.
- 3.3.2 In view of the constraints/difficulties/uncertainties expressed by the Distribution licensees, the Commission permitted them to file ARRs and FPTs relating to Retail Supply Business on annual basis for FY2015-16, vide Proceedings No.T-3/2014, dt.24-11-2014. The time for filing ARRs and FPTs for retail supply business for FY2015-16 was extended upto 15-12-2014, vide Proceedings No.T-4/2014, dt.25-11-2014 and further upto 30-12-2014, vide Proceedings No.T-6/2014, dt.12-12-2014.
- 3.3.3 When the licensees failed to file ARRs and FPTs and instead filed another application for further extension of time, the Commission passed an order dt.13-01-2015 prescribing procedure which it will adopt and mentioning the tentative schedule for determination of tariff. However, before the Commission proceeded to initiate *suo-motu* proceedings, the licensees filed separate applications for approval of their respective ARRs for FY 2015-16, on 27-01-2015 (25-01-2015 and 26-01-2015 being public holidays). The ARRs filed by APSPDCL and APEPDCL were taken on the file of the Commission and assigned O.P.Nos.1 of 2015 and 2 of 2015, respectively. The Commission by a letter dt. 27-01-2015 directed the licensees to issue notifications intimating the general public on the ARRs submitted to the Commission. The Licensees published such notifications accordingly in their respective areas of operation, in two Telugu and two English daily newspapers, for information and

calling for objections / suggestions on the same from individuals, representatives of consumer organizations and other stakeholders. The filings were also published in the websites of the respective licensees as well as the website of the Commission. Thereafter on 05-02-2015, the licensees submitted FPTs for the Retail Supply business for FY 2015-16. The FPT schedules of the licensees were given wide publicity through Public Notices in two Telugu and two English daily newspapers on 07-02-2015 seeking objections / suggestions from the interested consumers / stakeholders by 20-02-2015 (as against 16-02-2015 mentioned earlier at the time of notifying ARR and as per the 'Public Notice' published on 29-01-2015).

3.3.4 The Commission conducted public hearings in respect of ARR & FPT filings of APEPDCL at two places in its area of operation, on 23-02-2015 & 24-02-2015 at Visakhapatnam and on 25-02-2015 at Kakinada. Similarly, public hearings were conducted in respect of ARR & FPT filings of APSPDCL at two places in its area of operation, on 26-02-2015 at Guntur and on 27-02-2015 & 28-02-2015 at Tirupati. Finally, one more public hearing was conducted in respect of ARR & FPT filings of both the licensees at Hyderabad on 04-03-2015. The Commission, after considering the written and oral objections/comments/ suggestions of all the stakeholders, issued Tariff Order in respect of both DISCOMs for FY 2015-16 on 23-03-2015. Thus, unlike in earlier years, the Commission conducted public hearings in more than one place in the area of operation of each of the licensees and for more than one day in the headquarters of each of the licensees, as well as in its office at Hyderabad.

3.3.5 Similarly, the Commission determined Power Purchase Price in respect of The Anakapalle Rural Electric Co-operative Society, The Chipurupalli Rural Electric Co-operative Society and The Kuppam Rural Electric Co-operative Society, vide O.P.Nos. 60 of 2014, 61 of 2014 and 62 of 2014, respectively, on 23-03-2015.

3.4 Directives issued in the Retail Supply Tariff Order dt. 23-03-2015.

- 3.4.1 APGENCO to furnish the information about the action taken on the observations/objections of the Comptroller and Auditor General of India for the year 2010 regarding excess expenditure incurred in the plants.
- 3.4.2 Commission reiterated its earlier direction on variation in GCV of imported coal. The DISCOMs were directed to submit a detailed report in this regard before 31-05-2015.

- 3.4.3 The DISCOMs were directed to report to the Commission by or before 30-06-2015, their readiness to measure agricultural consumption based on method-II within the respective areas of their operation comprehensively and completely and thereafter deliver the progress report at the office of the Commission on measurement of agricultural consumption based on method-II before the last working day of every month for the previous month without fail until further orders of the Commission on this subject. In default of either licensee reporting such readiness by 30-06-2015, it shall submit its explanation and reasons for the default to enable the Commission to consider taking necessary corrective action for enforcement of this direction.
- 3.4.4 With an intention to avoid under recovery of revenue, DISCOMs were directed to adhere to the sales volumes approved in this Order, as far as possible. In case, there is any abnormal variation in actual sales compared with the approved sales, the DISCOMs may approach the Commission for remedial measures in accordance with the applicable statutory and regulatory provisions. If the Commission finds any such deviation/variation /contravention to be unjustified, it is mentioned that the Commission may be compelled to invoke the penal provisions provided by law.

3.5 Determination of Pooled Cost

- 3.5.1 In terms of the APERC (Adaptation) Regulation, 2014, *suo-moto* order dt. 31-05-2014 in O.P.No.33 of 2014 issued determining the Pooled Cost of Power Purchase for FY 2013-14 to be considered for FY 2014-15 under the Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2012 [Regulation No.1 of 2012] as Rs.3.38/kWh and ordering that the difference between the provisional pooled cost of power purchase @3.28/kWh and the pooled cost now determined should be paid to the developers in six equal monthly instalments, continues to be in force.

3.6 Other Matters related to Tariff:

- 3.6.1 In terms of the APERC (Adaptation) Regulation, 2014, order dt. 16-05-2014 passed in O.P.No. 32 of 2014 determining the variable costs in respect of Biomass, Bagasse and Industrial waste based power projects for the period from 01-04-2014 to 31-03-2019, i.e., Third Control period of FY 2014-15 to FY 2018-19, continues to be in force.

- 3.6.2 In terms of the APERC (Adaptation) Regulation, 2014, order dt. 01-09-2014 passed in O.P.No. 41 of 2014, determining generation tariff (fixed charges) payable for the energy purchases from Sai Renewable Power Pvt. Ltd., in respect of its Industrial Waste based power project for the period from 08-04-2014 to 07-04-2024, i.e. from 11th-20th year of operation, which tariff is the generic tariff (fixed cost) for 11th-20th year of their operation and the further directing that the said fixed cost will be payable by the other DISCOM to all the Industrial Waste based NCE projects which have completed 10 years of operation, continues to be in force.
- 3.6.3 In terms of the APERC (Adaptation) Regulation, 2014, order dt. 19-07-2014 passed in O.P.No. 11 of 2010 & 9 other cases determining fixed costs component of tariff in respect of different Biomass based power projects from 11th-20th year of their operation, continues to be in force.
- 3.6.4 In terms of the APERC (Adaptation) Regulation, 2014, order dt. 23-08-2014 determining the fixed costs in respect of Mini Hydel power projects for 11th-25th year of their operation, continues to be in force.

CHAPTER - IV

LEGAL MATTERS & REGULATIONS

4.1 Legal matters:

- 4.1.1 **Receiving Officer:** In terms of Regulation 12 of the APERC (Conduct of Business) Regulations, 1999 [Regulation No.2 of 1999], the Commission entrusted the Joint Director (Law) with additional charge of Receiving Officer. Procedure for process of petitions/objections/ applications received by the Receiving Officer specified in the Proceedings No.Secy/02/2010 dt. 13-04-2010, continues to apply in terms of the APERC (Adaptation) Regulation, 2014.
- 4.1.2 **Advocate on Record:** Sri K.V.Mohan, Advocate was appointed 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, dt. 24-04-2002 and No.APERC/Secy/No.06/2006, dt. 23-09-2006, respectively and the term was extended from time to time. In Proceedings Secy/ JD(L)/L-03/No.02/2014 dt. 17-11-2014, orders were issued continuing the services of Sri. K.V. Mohan, Advocate until further orders.
- 4.1.3 **Standing Legal Counsel:** The Commission issued orders continuing the services of Sri. P. Srinivasa Rao as the Standing Legal Counsel on temporary basis till further orders, vide Proceedings Secy/ JD(L)/No.01/2014 dt. 15-11-2014. Terms and conditions of appointment and fee payable to the Standing Legal Counsel, which are modified in accordance with the APERC (Terms & Conditions of Appointment and Payment of Remuneration to Standing Counsel/Counsel) Regulation No.8 of 2013, vide Proceedings No.Secy/(Law)/463, dt. 07/11-03-2014, continue to apply in terms of the APERC (Adaptation) Regulation, 2014.

4.1.4 In addition to the orders mentioned in detail, the following orders were also issued by the Commission during the period from 03-11-2014 to 31-03-2015:

Sl No	Date of order	Particulars
1	20-12-2014	O.P. No. 49 of 2014 – Petition filed by Global Energy Pvt Ltd for grant of Intra State Electricity Trading License
2	03-01-2015	O.P. No. 16 of 2014 & I.A. No. 4 of 2014 between Gautami Solvent Oils Pvt Ltd and APEPDCL – Petition filed relief of taking remedial action for non-compliance of the Interlocutory Order dt. 28-02-2013 in I.A. No. 18 of 2010 in O.P. No. 11 of 2010
3	07-01-2015	O.P. No. 47 of 2014 between Bollineni Castings & Steel Ltd Vs. APSPDCL for determination of tariff for supply of electricity generated by the petitioner.
4	07-02-2015	R.P. No. 3 of 2014 in O.P. Nos. 8 of 2011, 9 of 2012, 12 of 2012, 22 of 2014 & 25 of 2014 in the matter of determination of tariff of Mini-hydel Power Projects to take effect on compliance of 10 of operation from the date of commissioning of the project.

CHAPTER-V

CONSUMER ADVOCACY & RIGHT TO INFORMATION

5.1 Consumer Advocacy:

5.1.1 In terms of the APERC (Adaptation) Regulation, 2014, the Commission is being guided by the following Regulations in discharge of its obligation to protect and to promote the interest of the consumers:

- 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 and Second Amendment Regulation notified on 08-08-2013.
- 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 APERC (Licensees' Standards of Performance) Regulation, 2004 as amended from time to time contains provisions relating to (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) 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, 2003.

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

Sl. No.	Service Area	Time 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			
i	Cities and towns	Within 4 working hours	Rs.100 in each case of default	Rs.50 to each consumer affected
ii	Rural areas	Within 12 working hours		
2	Overhead Line/cable breakdowns			
i	Cities and towns	Within 6 hours	Rs.100 in each case of default	Rs.50 to each consumer affected
ii	Rural areas	Within 24 hours		
3	Underground cable breakdowns			
i	Cities and towns	Within 12 hours	Rs.100 in each case of default	Rs.50 to each consumer affected
ii	Rural areas	Within 48 hours		
4	Distribution Transformer failure			
i	Cities and towns	Within 24 hours	Rs.200 in each case of affected	Rs.100 to each consumer affected
ii	Rural areas	Within 48 hours		
5	Period of Scheduled Outage			
i	Maximum duration in a single stretch	Not to exceed 12 hours	Rs.200 in each case of default	Rs.100 to each consumer affected
ii	Restoration of supply	By not later than 6 PM		
6	Voltage fluctuations			
i	No expansion/enhancement of network involved	Within 10 days	Rs.100 for each day of default	Rs.50 to each consumer affected for each day of default
ii	Up-gradation of distribution system required	Within 120 days	Rs.200 for each day of default	Rs.100 to each consumer affected for each day of default
iii	Erection of Substation	Within the time period as approved by the Commission	Rs.500 for each day of default	Rs.250 to each consumer affected for each day of default
7	Meter complaints			
i	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.100 for each day of default	Not Applicable
ii	Replace burnt meters if cause attributable to Licensee	Within 7 days		
iii	Replace burnt meters if cause attributable to consumer	Within 7 days of receiving payment from consumer		
8	Processing of application & intimation of relevant charges payable for new connection/sanction of additional load/Demand			
i	All cases – If Connection feasible from existing network for release of supply	Within 3 working days of receipt of application	Rs.100 for each day of default	Not Applicable
ii	If Network expansion/enhancement required to release supply			
a	Release of supply - Low Tension	Within 7 days of receipt of application	Rs.1000 for each day of default	Not Applicable
b	Release of Supply - High Tension 11 kV	Within 15 days of receipt of application	Rs.500 for each day of default	
c	Release of Supply - High Tension 33 kV	Within 30 days of receipt of application		
d	Release of Supply - Extra High Tension	Within 45 days of receipt of application		
9	Release of new connection/additional load upon payment of all charges			

Sl. No.	Service Area	Time 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
i	All cases - If Connection feasible from existing network for release of supply	Within 30 days of receipt of application	Rs.100 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.100 for each day of default	Not Applicable
b	Release of Supply - High Tension 11 Kv	Within 60 days of receipt of prescribed charges	Rs.500 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.1000 for each day of default	
10	Transfer of ownership and conversion of services			
i	Title transfer of ownership	Within 7 days along-with necessary documents and prescribed fee, if any	Rs.100 for each day of default	Not Applicable
ii	Change of category	Within 7 days along-with necessary documents and prescribed fee, if any		
iii	Conversion from LT 1-ph to LT3-ph and vice-versa	Within 30 days of payment of charges by the consumer		
iv	Conversion from LT to HT and vice-versa	Within 60 days of payment of charges by the consumer	Rs.200 for each day of default	
11	Resolution of complaints on consumer's bill			
i	If no additional information is required	Within 24 working hours of receipt of complaint	Rs.50 for each day of default	Not Applicable
ii	If additional information is required	Within 7 working days of receipt of complaint		
12	Reconnection of supply following disconnection due to non-payment of bills			
i	Cities and Towns	Within 4 working hours of production of proof of payment by consumer	Rs.100 in each case of default	Not Applicable
ii	Rural Areas	Within 12 working hours of production of proof of payment by consumer		
13	Wrongful disconnection of Service Connection/levy of reconnection charges without Disconnection			
i	Wrongful disconnection of service connection even after payment of electricity charges due		Rs.100 in each case of default	Not Applicable
ii	Levy of reconnection charges without actual physical disconnection			

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

5.3.1 Consequent to bifurcation of the State, the Fora for Redressal of Consumer Grievances established by APEPDCL and APSPDCL came under the regulatory

jurisdiction of the Commission, which have already been established in terms of the provisions of Regulation No.1 of 2004, consisting of four Members, including Chairperson for each of the Fora. As per the provisions of the Regulation No. 1 of 2004, the Fora shall decide the complaints expeditiously and shall communicate their decisions to the complainants within a period not exceeding forty five (45) days of the receipt of the same. The Fora shall give the reasons in support of its decisions.

- 5.3.2 **Review of quarterly & annual Returns of CGRF**: The Commission reviewed the details like number/nature of grievances reported in the Quarterly returns & Annual returns furnished by the CGRFs. The details of the grievances attended to by the CGRFs for the period from 03-11-2015 to 31-03-2015 is as under:

Sl. No.	Name of CGRF	CGRF/ APEPDCL	CGRF/ APSPDCL
	Functioning from	08-01-2005	06-01-2005
1	No. of Grievances outstanding at the close of previous year (as on 02-11-2014)	48	146
2	No. of Grievances received during the year	155	75
3	No. of Grievances disposed during the year	145	43
4	No. of Grievances pending at the close of the year	58	120
5	No. of Grievances pending which are older than two months	18	60
6	No. of sittings of CGRFs in the year	16	4
7	No. of cases in which compensation are awarded in the year	4	0
8	Total amount of Compensations awarded in the year	Rs.6,700/-	0

5.4 **Vidyut Ombudsman:**

- 5.4.1 The institution of Vidyut Ombudsman was established in September 2005, vide Proceedings No.Secy/04, dt.19-09-2005 designating the then Director (Law) of the erstwhile 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. With effect from 18-11-2013, the Director (Admn.) of APERC is discharging the functions of Vidyut Ombudsman. Consequent to bifurcation of the State and establishment of separate institution of Vidyut Ombudsman for the State of Telangana, the appellate jurisdiction of Vidyut Ombudsman for the State of Andhra Pradesh is limited to representations emanating from CGRFs of APEPDCL and APSPDCL, w.e.f. 11-02-2015.

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. However, 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 thereof, 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. Further, 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 period from 03-11-2014 to 31-03-2015, the Commission reviewed the details like number of grievances reported in the Quarterly returns furnished by the Vidyut Ombudsman, which are as follows:

No. of Grievances outstanding as on 03-11-2014	49
No. of Grievances received during the period from 03-11-2014 to 31-03-2015	15
No. of Grievances disposed during the period from 03-11-2014 to 31-03-2015	34
No. of Grievances pending as on 31-03-2015	30
No. of Grievances pending which are older than two months during the period from 03-11-2014 to 31-03-2015	25
No. of sittings of Ombudsman during the period from 03-11-2014 to 31-03-2015	40

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 Participation in Regulatory Decision:

5.6.1 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.

5.6.2 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 on the website of the Commission seeking suggestions/comments from the interested persons and stakeholders.

5.6.3 **Public Hearings:** In discharge of its functions, the Commission conducted several public hearings during the period 03-11-2014 to 31-03-2015. 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	Petition Number	Subject	No. of Objectors Registered
23-02-2015 & 24-02-2015	Dr.Y.V.S.Murthy Auditorium, Andhra University College of Engineering, Visakhapatnam	O.P. No. 1 of 2015	Tariff filings made by APEPDCL	189
25-02-2015	Alumni Auditorium, JNTU, College of Engineering, Kakinada	O.P. No. 1 of 2015		
26-02-2015	Sri. Venkateswara Vignana Mandir, Opp Hindu College, Near Vegetable Market, Rajagarithota, Guntur	O.P. No. 2 of 2015	Tariff filings made by APSPDCL	
27-02-2015 & 28-02-2015	Srinivasa Auditorium, SV University Campus, Tirupati			
04-03-2015	Court Hall of APERC, Hyderabad	O.P. Nos. 1 & 2 of 2015	Tariff filings made by APEPDCL & APSPDCL	

5.7 Implementation of Right to Information Act, 2005:

- 5.7.1 For the purposes of the Right to Information Act, 2005 the Commission designated Joint Director (Engg.) as State Public Information Officer (SPIO) and Director (Engg.) as the 1st Appellate Authority.

- 5.7.2 As per the various provisions of the RTI Act, the information sought for is being provided to the applicants. Apart from this activity, quarterly& annual reports are being sent to the Energy Department of GoAP.

CHAPTER - VI

ACCOUNTS & AUDIT

6.1 Grants-in-Aid:

The Andhra Pradesh Electricity Regulatory Commission is funded by the budgetary provisions of the State Government by way of Grants-in-Aid. During the year the Commission has received Rs.130.34 lakh as Grants-in-Aid towards Salaries (Rs.84.42 lakh) and Other Grants-in-aid (Rs.45.92 lakh) from Government of Andhra Pradesh and is being operated through a nationalized bank account.

6.2 Capital Expenditure:

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

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

The Commission received an amount of Rs.66.35 lakh during the year towards Licence fee from Transmission Licensee (APTransco), the two (2) Distribution Licensees (APEPDCL and APSPDCL) and from three (3) Rural Electric Cooperative Societies (Anakapalle, Cheepurupalli, and Kuppam RESCOs) and the same was remitted to the State Government.

6.4 Books of Account and Other Records:

The Commission is maintaining proper books of accounts and other relevant records as required u/s 104(1) of the Electricity Act, 2003.

6.5 Financial Statements:

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

- i) Receipts and Payments Account for the year ended 31-03-2015.
- ii) Income and Expenditure Account for the year ended 31-03-2015.
- iii) Balance Sheet as on 31-03-2015.

6.6 Audit of Accounts:

The Comptroller & Auditor General of India have audited the financial statements of the Commission in accordance with section 104(2) of the Electricity Act, 2003. The Audit Certificate-cum-Separate Audit Report containing the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment received vide letter No. AG(E&RSA)/ES-II(Power)/APERC/2016-17/16 dated 17-11-2016 is furnished hereunder.

SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION, HYDERABAD FOR THE PERIOD FROM 03-11-2014 TO 31-03-2015

1. We have audited the attached Balance Sheet of **Andhra Pradesh Electricity Regulatory Commission** (APERC) (newly formed) as at 31st March, 2015 and the Income and Expenditure Account/ Receipts and Payments Account for the period from 03-11-2014 to 31-03-2015 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, there was no change in the total Income and Expenditure & total Assets and Liabilities.**

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 purpose of our audit;
- ii. The Balance Sheet, Income and Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format approved by the Committee of Experts formed by Central Government.
- 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:

(a) Comments on Accounts: Nil

(b) Grants-in-Aid:

Out of the Grants-in-Aid of Rs.1.30 crore received during the said period, APERC utilized the entire amount leaving Nil balance as unutilized grant as on 31-03-2015.

- v. Subject to our observations 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.

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- 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 2015 and
- b) In so far as it relates to the Income and Expenditure Account of the deficit for period from 03-11-2014 to 31-03-2015.

Place: Hyderabad
Date: 17-11-2016

For and on the behalf of
the Comptroller and Auditor General of India
Sd/-
Accountant General (E&RSA)

Evaluation of Internal Control

1	Adequacy of Internal Audit System	There was no internal audit system in 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	The Commission is regular in payment of Statutory Dues applicable to them.
5	Delay in remittances of receipts into Government account.	There were no delays in remittances to Government Account.

**Sd/-
Sr. Deputy Accountant General
(ES-II)**

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

RECEIPTS & PAYMENTS ACCOUNT FOR THE PERIOD FROM 03-11-2014 TO 31-03-2015

RECEIPTS	Current Year 2014-15	Previous Year	PAYMENTS	Current Year 2014-15	Previous Year
	₹	₹		₹	₹
I. Opening Balances			I. Expenses		
a) Cash in hand	10000		a) Establishment Expenses		
b) Bank Balances			i) Pay & Allowances to Chairman & Members		
i) In current accounts			Salaries	1263113	
State Bank of India	11468383		Medical Expenses	113167	
(including Auto Sweep)	2		Electricity charges	11532	
Andhra Bank	669684		Newspaper Charges	4400	
(including Auto Sweep)			Perquisites Tax	87734	
II. Grants Received			Rent free Accommodation	150000	
From State Government	13034000		ii) Pay and Allowances to Officers and Staff		
III. Interest Received			Salaries	8237488	
a) On Bank deposits			Medical Expenses	37536	
State Bank of India	1217846		Leave Travel Concession	3913	
Andhra Bank	40337		Encashment of Earned Leave	563507	
b) Loans, Advances etc.	12251		Wages	632441	
IV. Other Income (Specify)			iii) Pension & Retirement Benefits (Commissioners)	305939	
Licence Fee (Outstanding)	6635000		iv) Pension & Retirement Benefits (Staff)	18612	
Licence Exemption Fee	90000		b) Administrative Expenses		
Fee for Filing Petitions	293500		Electricity Charges	162727	
Sale of Tariff Order	1460		Water charges	19985	
Miscellaneous Receipts	110		Insurance, Rents and Taxes	1417624	
V. Any other receipts (give details)			Repairs to Motor Car	9881	
Recoveries towards Loans & Advances (Principal)			Petrol, Oil & Lubricants	33287	
a) Motor Cycle/Car Advance	52225		Repairs & Re-modelling of Office	1084247	
b) Computer Advance	2000		Postage, Telephone and Communication charges	111529	
c) Educational Advance	17500		Printing and Stationery	114995	
d) Festival Advance	9500		Travelling and Conveyance Expenses	204462	
VI. Recoveries for Remittance			Other Miscellaneous Expenses	318301	
TDS from Third Parties	24240		Hiring of Private Vehicles	184929	
			Hiring of Photocopying Charges	26342	
			Payment for Professional & Special Services	163849	
			Hospitality Charges	64660	

RECEIPTS	Current Year 2014-15	Previous Year	PAYMENTS	Current Year 2014-15	Previous Year
	₹	₹		₹	₹
			Annual Maintenance Charges		
			Computers	31562	
			UPS	9832	
			Air-Conditioners	34378	
			EPABX	1250	
			Miscellaneous Items	4885	
			II. Expenditure on Fixed Assets		
			Residential Furniture to Commissioners	217070	
			Office Furniture	603644	
			Televisions	80800	
			Computers	207260	
			III. Other Payments		
			Loans & Advances (Staff)		
			Computer Advance	50000	
			Funds Transferred to TSERC	47773916	
			Payments to TSERC	659159	
			Tour Advance	8000	
			Vidyut Ombudsman Account	1640038	
			IV. Closing Balances		
			a) Cash in hand	10000	
			b) Bank Balances		
			i) In current accounts		
			State Bank of India (including Auto Sweep)	69452508	
			Andhra Bank (including Auto Sweep)	662983	
TOTAL	136793485		TOTAL	136793485	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD FROM 03-11-2014 TO 31-03-2015

INCOME	Schedule	Current Year 2014-15	Previous Year
		₹	₹
Grants	6	13034000	
Fees	7	385070	
Interest Earned	8	1270434	
Other Income	9	133448	
TOTAL (A)		14822952	
EXPENDITURE			
Establishment Expenses	10	14493436	
Other Administrative Expenses	11	6522982	
Depreciation	3	517433	
TOTAL (B)		21533851	
Balance being excess of Expenditure over Income (B-A) Transfer to Capital Fund Account		6710899	

BALANCE SHEET AS AT 31-03-2015

LIABILITIES	Schedule	Current Year 2014-15	Previous Year
		₹	₹
Capital Fund	1	17579382	
Current Liabilities and Provisions	2	57406026	
Total		74985408	
ASSETS			
Fixed assets	3	4470892	
Investment - others	4	52500	
Current Assets, Loans and Advances	5	70462016	
Total		74985408	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule - 1 (for the period from 03-11-2014 to 31-03-2015)

Capital Fund	Current Year 2014-15	Previous Year
	₹	₹
Balance transferred from erstwhile APERC (03-11-2014)	70997026	
Add : Contribution towards Capital Fund		
Deduct : Provision for Retirement Benefits	46706745	
Deduct : Balance of net expenditure transferred from the Income and Expenditure Account	6710899	
Balance as at 31-03-2015	17579382	

Schedule - 2 (for the period from 03-11-2014 to 31-03-2015)

Current Liabilities & Provision	Current Year 2014-15	Previous Year
	₹	₹
A) Current Liabilities		
1. Statutory Liabilities		
a) Overdue		
b) Others	24240	
2. Other Current Liabilities		
Due to TSERC	5585727	
APTS	170844	
Salaries	1961783	
Travelling Expenses	42217	
Office Expenses	1574807	
Wages	45000	
Total (A)	9404618	
B) Provisions		
1. Retirement Benefits	47901408	
2. Others (Specify)		
Audit Fee	100000	
Total (B)	48001408	
Total (A + B)	57406026	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule -3 (for the period from 03-11-2014 to 31-03-2015)

Fixed Assets

Description	Gross Block				Depreciation					Net Block	
	Original Cost/ Valuation as at beginning of the year 03-11-2014	Additions during the year	Deducti ons during the year	Cost/ Valuation at the year end 31-03-2015	As on 03-11-2014	For the year 2014-15			Total up to the year end 31-03-2015	As at the current year end 31-03-2015	As at the previous year end 02-11-2014
						Existing Stock as on 03-11-2014	On additions during the year	On deductions during the year			
₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Cars	649793			649793	375961	16768			392729	257064	273832
Furniture (Office)	1601925	603644		2205569	1001462	9162	9447		1020071	1185498	600463
Furniture (Commissioners)											
Annexure - I											
Annexure - II		217070		217070			5036		5036	212034	
Computers	6370417	207260		6577677	5794927	140956	3904		5939787	637890	575490
Air-Conditioners	1045358			1045358	511986	32659			544645	500713	533372
Stabilizers	22400			22400	15437	2274			17711	4689	6963
Digital Franking machine	123050			123050	14712	6634			21346	101704	108338
Water cooler	50296			50296	15714	2824			18538	31758	34582
Ceiling Fans	44335			44335	27600	683			28283	16052	16735
EPABX	479671			479671	175648	18616			194264	285407	304023
Court Hall Furniture	309630			309630	297432	498			297930	11700	12198
10 Kv UPS	299750			299750	221779	7957			229736	70014	77971
Software	54000			54000	7959	11277			19236	34764	46041
Audio system	896007			896007	92717	196751			289468	606539	803290
Dell Server	537847			537847	51594	49624			101218	436629	486253
Televisions		80800		80800			2363		2363	78437	0
Public Address System (2008-09)	187965			187965	187965				187965	0	0
Wooden Partition (2008-09)	684968			684968	684968				684968	0	0
MS & Ceiling Mount Kit (2009-10)	45795			45795	45795				45795	0	0
Infrastructure (2009-10)	7862917			7862917	7862917				7862917	0	0
100 Mbps Switches (2009-10)	89000			89000	89000				89000	0	0
Software	2050680			2050680	2050680				2050680	0	0
Servers 2 Nos.	174271			174271	174271				174271	0	0
Type writer	10375		10375	0	10375			10375	0	0	0
Modi Xerox	146090		146090	0	146090			146090	0	0	0
Total	23736540	1108774	156465	24688849	19856989	496683	20750	156465	20217957	4470892	3879551

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule - 4 (for the period from 03-11-2014 to 31-03-2015)

Investments - Others	Current Year 2014-15	Previous Year
	₹	₹
Deposits		
(A) Security Deposits		
APDDCF Ltd.	1000	
(B) Petrol Account		
(C) Telephone Account		
BSNL	51500	
(D) Fdrs other than sweep a/c		
Total	52500	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule - 5 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Current Assets, Loans & Advances	Current Year 2014-15	Previous Year
		₹	₹
A	Current Assets		
1	Cash Balance in hand (including cheque/ drafts and imprest)	10000	
2	Bank Balance		
	a) With Scheduled Banks		
	In Current A/c		
	State Bank of India (including Auto Sweep)	69452508	
	Andhra Bank (including Auto Sweep)	662983	
	Total - A	70125491	
B	Loans, Advances and other Assets		
1	Loans		
	a) Staff	328525	
	b) Others (specify)		
	Tour Advance	8000	
	Total - B	336525	
	Total (A+B)	70462016	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule - 6 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Grants	Current Year 2014-15	Previous Year
		₹	₹
1	State Government		
	Grants-in-Aid towards Salaries	8442000	
	Other Grants-in-Aid	4592000	
	Total	13034000	

Schedule - 7 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Fees	Current Year 2014-15	Previous Year
		₹	₹
1	Annual Licence Fee		
2	Licence Exemption Fee	90000	
3	Fee for filing petitions	293500	
4	Others (Specify)		
	Sale of Tariff Order	1460	
	Miscellaneous Receipts	110	
	Total	385070	

Schedule - 8 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Interest Earned	Current Year 2014-15	Previous Year
		₹	₹
1	On Term Deposits		
	Others (Sweep A/c)		
	State Bank of India (including Auto	1217846	
	Andhra Bank (including Auto Sweep)	40337	
2	On Loans		
	a) Employees/Staff	12251	
	b) Others		
	Total	1270434	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule - 9 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Other Income	Current Year 2014-15	Previous Year
		₹	₹
1	Profit on sale / Disposal of Assets		
	Owned Assets		
2	Miscellaneous		
	LSC/PC of Vidyut Ombudsman	133448	
	Total	133448	

Schedule - 10 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Establishment Expenses	Current Year 2014-15	Previous Year
		₹	₹
1	Salaries & Wages		
	i) Pay & Allowances to Chairman & Members		
	Salaries	1263113	
	Medical Expenses	113167	
	Electricity charges	11532	
	Newspaper Charges	4400	
	Perquisite Tax	87734	
	Rent free Accommodation	150000	
	ii) Pay and Allowances to Officers and Staff		
	Salaries	8237488	
	Medical Expenses	37536	
	Leave Travel Concession	3913	
	Encashment of Earned Leave	563507	
	Wages	632441	
	iii) Pension & Retirement Benefits (Commissioners)	305939	
	iv) Pension & Retirement Benefits (Staff)	18612	
	Add: Provision for Outstanding Expenses		
	Salaries	1961783	
	Wages	45000	
	Retirement Benefits	1194663	
	Audit Fee	40000	
	Less: Expenses pertains to erstwhile APERC	177392	
	Expenditure for 2014-15	14493436	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule - 11 (for the period from 03-11-2014 to 31-03-2015)

Sl. No.	Other Administrative Expenses	Current Year 2014-15	Previous Year
		₹	₹
1	Electricity Charges	162727	
2	Water charges	19985	
3	Insurance, Rents and Taxes	1417624	
4	Repairs to Motor Car	9881	
5	Petrol, Oil & Lubricants	33287	
6	Repairs & Re-modelling of Office	1084247	
7	Postage, Telephone and Communication charges	149038	
8	Printing and Stationery	114995	
9	Travelling and Conveyance Expenses	204462	
10	Other Miscellaneous Expenses	318301	
11	Hiring of Private Vehicles	184929	
12	Hiring of Photocopying Charges	26342	
13	Payment for Professional & Special Services	163849	
14	Hospitality Charges	64660	
15	Vidyut Ombudsman's Expenses	1378068	
16	Annual Maintenance Charges		
	Computers	31562	
	UPS	9832	
	Air-Conditioners	34378	
	EPABX	1250	
	Miscellaneous Items	4885	
	Add: Provision for Outstanding Expenses		
	Travelling and Conveyance Expenses	42217	
	Office Expenses	1574807	
	Less: Expenses pertains to erstwhile APERC	508344	
	Expenditure for 2014-15	6522982	

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Schedule – 12 SIGNIFICANT ACCOUNTING POLICIES

(for the period from 03-11-2014 to 31-03-2015)

1. The Accounts of the Commission are prepared on accrual basis except for Stamps, Stationery and other Petty Expenses.
2. Depreciation on the assets of the Commission (excluding the furnishing articles provided to the residences of the Chairman and Members of the Commission) is provided at the rates specified in the Income Tax Act and other items as determined by the Commission under Written Down Value Method.
3. Depreciation on the Furnishing Articles supplied to the Chairman and Members of the Commission is provided at 50 per cent on Straight Line Method in respect of articles falling under Annexure - I and 15 per cent on Written Down Value 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 policy of the Commission, cent percent depreciation provided on capital items purchased at a time upto Rs.10,000/- during the Financial Year.
5. The Government of Andhra Pradesh has established "APERC Fund Rules, 2014" vide G.O.Ms.No.19 Energy Power (III) Department, dated 08-05-2014. Accordingly, Grants-in-Aid towards Salaries and Other Grants-in-Aid, the receipts of the Commission were transferred to APERC Fund Account and the entire expenditure of the Commission will be met from the said Fund Account.
6. As per XII Schedule of Andhra Pradesh Re-organisation Act, 2014, the existing APERC was constituted on 01-08-2014 and functioning w.e.f. 03-11-2014.
7. All the assets shown in the balance sheet have been created from the Other Grants-in-Aid received from the Government.
8. A provision for Retirement Benefits was created with retrospective effect for the employees from the Capital Fund available as on 03-11-2014.
9. The Annual Accounts prepared based on the common format of Accounts of Autonomous Organisations as prescribed by the Committee of Experts.
10. The expenditure incurred for repairs and re-modelling of office premises shall be treated as revenue expenditure and entire expenditure booked for the FY 2014-15.
11. As per the Andhra Pradesh Reorganisation Act, 2014, the Governments of Andhra Pradesh and Telangana constituted separate ERCs and they are functioning with effect from 03-11-2014. In pursuance of G.O.Ms.No.43, dated 07-11-2014 of the Government of Andhra Pradesh, the funds available with the erstwhile Commission as on 02-11-2014 were distributed between the APERC and TSERC on 50:50 basis and office premises comprising of 4th and 5th floors are allotted to APERC and TSERC respectively on provisional basis on "as-is-where-is" basis subject to the principles, guidelines, directions and orders issued by the Government of India under Section 92 of the Andhra Pradesh Reorganisation Act, 2014. Accordingly, the assets and liabilities are disclosed in the accounts for the period from 03-11-2014 to 31-03-2015.

