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RULES SUPPLEMENT TO PART II  
EXTRAORDINARY

OF  
**THE ANDHRA PRADESH GAZETTE**  
PUBLISHED BY AUTHORITY

No. 22]

HYDERABAD, MONDAY, SEPTEMBER 4, 2000.

**NOTIFICATIONS BY HEADS OF DEPARTMENTS, Etc.**

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**PUBLIC WORKS NOTIFICATIONS**

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

AMENDMENT TO THE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION (CONDUCT OF BUSINESS) REGULATIONS, 2000.

**Regulation No. 8**

Lr. No. APERC/Secy/Business Rules/D. No. 2217/2000.-In exercise of powers conferred on it by sub-section (2) of Section 9 and Section 54 of the Andhra Pradesh Electricity Reform Act, 1998 (Act 30 of 1998) and other applicable provisions of the said Act and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following amendments to the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999:

**PART I**

**GENERAL**

**1. Short title, commencement and interpretation:**

- (1) These regulations may be called the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) First Amendment Regulations, 2000.
- (2) They shall come into force on the date of their publication in the Official Gazette.
- (3) The Andhra Pradesh General Clauses Act, 1891 shall apply to the interpretation of these Regulations.

[1]

**2. Definitions**

- (1) In these Amendment Regulations, the term 'Conduct of Business Regulations' shall mean the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and the term 'Amendment Regulation' shall mean these Regulations.
- (2) The words and expressions used in the Amendment Regulations and defined in the 'Conduct of Business Regulations' shall have the same meaning, unless the context otherwise requires.

**PART II  
AMENDMENTS**

**3. Amendment to Chapter I of the Conduct of Business Regulations:** In Regulation 6 the following shall be inserted as Clause (5):

- (5) "The Commission may delegate to its Officers such functions including functions to be exercised by the Secretary on terms and conditions the Commission may specify for the purpose".

**4. Amendments to Chapter II of the Conduct of Business Regulations:**

- (1) In Regulation 7 for Clause (1) the following shall be substituted:

"The Commission may from time to time hold such proceedings as it may consider appropriate in the discharge of its functions under the Act. The Commission may appoint an Officer or any other person whom the Commission considers appropriate to participate and assist the Commission in such proceedings".

- (2) In Regulation 9 the existing provision be numbered as Clause (1) and the following may be added as Clause (2):

"(2) All pleadings shall contain a clear and concise statement of the facts with material particulars, the reliefs sought and the basis for such reliefs".

- (3) In Regulation 16, the following shall be inserted after Clause (2) as Clause (3).

(3) The Commission may, if it considers appropriate, allow any of the parties or others specified in clauses (1) or (2) above, to adduce such further documentary or other evidence in regard to evidence made available by any of the parties or other persons under the said clauses.

- (4) The words "copies of" shall be added before the words "all orders" in Regulation 19 Sub Regulation (3) and before the words "all final orders" in Regulation (19) Sub-Regulation (4).
- (5) In Regulation 23, the following shall be inserted in Clause (3) after the word award "with relevant documents".

**5. Amendment to Chapter IV of the Conduct of Business Regulations:**

The following shall replace the existing Regulation 43 of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 under the head "Grant of exemption from licence".

43. (1) An exemption from licence under section 16 of the Act shall be granted consistent with the provisions of the Act and in accordance with these regulations.

(2) General Exemption: Until otherwise specified in writing by the Commission, the following classes of persons engaged in the supply of electricity in the State of Andhra Pradesh are exempted from the requirement to have licence, subject to the fulfilment of the conditions specified herein:

- (i) Persons who supply electricity generated by themselves and/or supplied to them by a licensed supplier, for the purposes of an event or function not exceeding two months, and when the electricity is distributed through a system owned by them.
- (ii) Persons who supply electricity to the residential colonies as a part of their activity of maintaining such colonies for use and occupation of their employees and/or for use and occupation of persons

providing facilities and services to the employees, where such person procures electricity from the licensee or from any other source approved by the Commission or generates himself and distributes the electricity within the specified areas of residential colonies on no-profit motive basis.

- (iii) Such other persons as the Commission may from time to time by order notify, subject to such terms and conditions as the Commission may specify.

Provided that the general exemption granted under any of the clauses mentioned above shall not be taken as an approval to set up a generating station, captive or otherwise or enabling generation of electricity, and for this purpose the persons shall be required to comply with the provisions of the relevant Acts and regulations dealing with generating stations.

- (3) It shall be a condition for eligibility of the general exemption under clause (2) above that the person who avails such general exemption accepts that:

- (i) if any difference or dispute arises as to whether the person is entitled to undertake supply of electricity in terms of the general exemption or not, the decision thereon of the Commission shall be final, subject however to the right of appeal under section 39 of the Act; and
- (ii) the Commission shall be entitled to issue appropriate directions as it may consider necessary to ensure that the general exemption is properly availed and take appropriate actions against such persons in accordance with the provisions of the Act and these regulations for any breach or non compliance or

otherwise for any unauthorised act in availing the general exemption by such person.

(4) All persons other than a supply licensee and those covered under general exemption mentioned in clause (2) above, who intend to engage in the business of supplying electricity, shall require specific order of exemption from the Commission and shall follow the procedure set out hereunder.

- (i) A person seeking grant of exemption from the requirement to have a licence shall file an application supported by an affidavit and shall furnish the particulars and documents set out in Annexure - III.
- (ii) The applicant shall state in detail, the reasons for which the exemption is considered necessary together with supporting documents including his capability in running the business and eligibility for the exemption sought.
- (iii) The applicant shall file the consent required from the local authority and the supply licensee as well as the Central Government (if required) in terms of Section 16(1) of the Act before the application is placed for hearing.

Provided that if the applicant is of the view that the local authority or the supply licensee, as the case may be, is unreasonably withholding the consent, the applicant shall file the relevant correspondence with such local authority or the supply licensee with the reasons in support of the applicant's submission that the consent is being withheld unreasonably.
- (iv) The applicant shall also furnish such other particulars and documents as the Commission may require from time to time.

- (v) The application shall be submitted in 5 (five) copies together with a processing fee of such amount as the Commission may specify from time to time, in the form of a Bank Draft drawn in favour of APERC payable on any scheduled bank at Hyderabad.
- (vi) Unless otherwise specified in writing by the Commission, the procedure for grant of licence in so far as it can be applied shall be followed while dealing with an application for exemption from requirement to have a licence.

(5) The terms and conditions of the grant of exemption by the Commission may include the following:

- (i) An exemption granted shall be published by the applicant in such manner as the Commission considers appropriate for bringing it to attention of the public.
- (ii) If so required by the Commission, the person exempted shall be required to submit to the Commission within such time as the Commission may specify, a complaint handling procedure for redressal of consumers' grievances and shall implement the same with such modifications as the Commission may direct.
- (iii) The person exempted shall pay to the Commission an annual fee of such amount as may be directed by the Commission from time to time.
- (iv) The Commission, while granting the exemption, shall be entitled to impose any other conditions as the Commission considers appropriate, including the terms for revocation or modification of the exemption.

(6) Unless the Commission otherwise directs by general or special order, the persons exempted, whether by general exemption or by a specific exemption granted by the Commission, shall:

- (i) furnish to the Commission such information required for the purposes of the discharge of the functions of the Commission as the Commission may from time to time direct;
- (ii) comply with the provisions of the Act including the applicable provisions of the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948, the Indian Electricity Rules, 1956, the Regulations of the Commission, technical codes such as Grid Code, Distribution Code, Standards of performance and Overall Standards of Performance or any other guidelines issued by the Commission ; and
- (iii) comply with any directions which the Commission may issue from time to time in regard to the charges which such persons may levy on the consumers taking into account the charges prevailing in the nearby area of supply of electricity supplied by a licensee;

**6. Amendments to Chapter IV of the Conduct of Business Regulations:**

In Clause (1) of Regulation 32 the word "admission and numbering" shall be inserted between " within 14 days from the date of" and the words "the application" and add after the word "the application" words " as specified in clause (9) of Regulation 12.

**7. Addition of Chapter IV A of the Conduct of Business Regulations**

- (1) The following shall be inserted as Chapter IVA in the Conduct of Business Regulations as a chapter on Tariffs:

**Tariffs****45-A. Expected revenue from charges and tariff proposals:**

- (1) Subject to the provisions of the Act, each year, at the time required by the licence or otherwise as may be directed by the Commission, each licensee (Transmission and Bulk Supply or Distribution and Retail Supply, as the case may be) shall file with the Commission, in the format as may be specified by the Commission, statements containing calculation for the ensuing financial year the expected aggregate revenue from charges under its currently approved tariff and the expected cost of providing services.
- (2) If a Licensee carries on more than one business, namely, Transmission and Bulk Supply or Distribution and Retail Supply, the statement referred to in clause (1) above shall be given separately for each of the separate businesses of the licensee and in such manner in respect of each such business as the Commission may direct.
- (3) The statements referred to in clause (1) above shall contain the following details:
  - (i) the licensee's demand forecast by customer or consumer category for the ensuing financial year and the basis of the forecast;
  - (ii) a calculation of expected aggregate revenue that would result from the above demand during the same period under the currently approved tariff by customer or consumer category;
  - (iii) a calculation of the licensee's estimated costs of providing the service required by the level of demand indicated in sub-clause (i) above for each customer or consumer category during the same period calculated in accordance with the financial principles and their applications in the Sixth Schedule to the Electricity (Supply) Act, 1948 or such other



principles the Commission may prescribe from time to time;

(iv) The licensee's proposal to deal with the divergence between the expected aggregate revenue and the expected cost of services, including proposal, if any, for revised tariff to be charged in the ensuing year, the proposed scheme for reduction in losses, changes in the tariff structure for any specific category of consumer;

(v) In case the Licensee carries on any business or services other than those licensed under the Act, the Licensee shall give separate revenue and expense statements together with such details as the Commission may require in respect of such business or services; and

(vi) Such other information as the Commission may direct from time to time.

(4) The licensee shall furnish to the Commission such additional information, particulars and documents as the

Commission may require from time to time after such filing of revenue calculations and tariff proposals.

(5) The Commission may, from time to time, issue guidelines for filing statement of revenue calculations and tariff proposals and unless waived by the Commission, the licensee shall follow such guidelines issued by the Commission.

(6) Unless otherwise directed by the Commission, the Commission shall hold a proceeding on the revenue calculations and tariff proposals given by the licensee and may hear such persons as the Commission may consider appropriate for making a decision on such revenue calculations and tariff proposals.

- (7) The procedure of hearing on the revenue calculations and tariff proposals of the licensee shall be in the manner as the Commission may decide from time to time.
- (8) Upon hearing the licensee and such other parties as the Commission considers appropriate and upon making such other inquiry, the Commission shall make an order and notify the licensee of its decision on the revenue calculations and tariff proposals, as provided in sub-section (5) of section 26 of the Act.
- (9) While making an order under clause (8) above or at any time thereafter, the Commission may direct the publication of the tariff that the licensee shall charge the different consumers or customers and categories thereof in the ensuing financial year.
- (10) The licensee shall publish the tariff or tariffs approved by the Commission in the newspapers having circulation in the area of supply as the Commission may direct from time to time. The publication shall, besides such other things as the Commission may require, include a general description of the tariff amendment and its effect on the classes of the consumers.
- (11) The tariffs so published under clause (10) above shall become the notified tariffs applicable in the area of supply and shall take effect only after such number of days as the Commission may direct which shall not be less than seven days, from the date of first publication of the tariffs.
- (12) The licensee shall raise bills for the energy supplied or transmitted or services rendered to the consumers in accordance with the notified tariff.
- (13) No tariff determined and notified as above may be amended more frequently than once in any financial year except that tariff rates shall be adjusted in accordance with any fuel surcharge adjustment formula incorporated in the tariff with the approval of the Commission. Provided that

the consequential orders which the Commission may issue to give effect to subsidy the State Government may provide under Sections 12 (3) and/or 27 (1) of the Act shall not be construed as amendment of tariff notified. The Licensee shall, however, give appropriate adjustments in the bills to be raised on the consumers for the subsidy amount in the manner the Commission may direct.

#### 45-B. Fuel Surcharge Adjustment Formula

- (1) Unless otherwise agreed by the commission, the fuel Surcharges adjustment formula shall be the following

Fuel surcharge for Quarter

$$F_{ps/Kwh} = \frac{F_A \times E_A + F_B \times E_B + \dots + F_N \times E_N}{Q}$$

Where

$F_{A,B,\dots,N}$  .. Is the difference in the fuel cost in Paise/ Kwh for the energy purchased from source A,B etc. in a quarter compared to the base values adopted as part of the most recent Tariff order, or the difference in variable charges/ total tariff rates on account of variation in costs of fuels in respect of the sources A,B etc. in quarter compared to the base values adopted as part of the most recent Tariff order

$E_{A,B,\dots,N}$  Is the energy purchased from the sources A,B etc., during the quarter in KWH

Q Is the energy sold to all categories except Agriculture in a quarter subject to the following conditions :

Condition 1:  $E_{A,B,\dots,N}$  and /or Q can be adjusted by the Commission taking into account merit order operation criteria.

Condition 2: The FSA as worked out will be distributed among all categories of consumers that existed in the quarter. However the consumption by the agricultural sector will be excluded till the Commission is satisfied that metering of agricultural consumption is complete.

- (2) The licensee shall provide the Commission with its calculation of each fuel surcharge adjustment required to be made pursuant to its tariff before it is implemented with such documentation and other information as it may

require for purpose of verifying the correctness of adjustments.

(3) Till the Bulk tariffs are established, FSA billed to retail categories may be made over to Bulk supplier by individual Distribution Company or RESCO.

(4) Collection of the energy sales data to different categories have to be submitted by APTRANSCO by collecting from all the Bulk purchasers.

(5) Licensee shall collect the FSA charge of the previous quarter for which FSA value has been approved by the commission in three equal monthly instalments. Total value to be collected will be equivalent to the number of units consumed in the last quarter (Assessed quarter) multiplied by the FSA value per unit.

(6) Fuel cost data has to conform to the fuel costs to the allowed level and no other charges other than the transportation cost can be included in the fuel cost. Every statement has to be confirmed by the licensee to that effect. The costs arrived at will be compared to the fuel cost indexation which will be developed by the Commission in the future.

(7) Penalties are leviable for furnishing wrong data.

(8) The licensee shall publish the FSA approved by the commission in one English and one Telugu daily newspaper with circulation in the Area of supply, for general information of the consumers, and shall make available copies of the FSA to the public on request, at a reasonable cost.

(9) The FSA shall be implemented after 7 days of such publication.

#### 45-C: Subsidies

(1) The State Government may at any time as it considers appropriate, propose any subsidy to any class or classes of consumers and upon receiving such proposal, the Commission shall determine the amount to be paid as subsidy, the terms and conditions of such payment including the time and manner of payment of subsidy amounts by the State Government.

(2) While determining the tariff, the Commission shall take into account any subsidies, which the State Government had agreed to give to any class or classes of consumers. The tariff determined by the Commission shall be published duly taking into account such subsidy offered by the State Government as on the date of the decision of the Commission.

(3) The licensee shall be required to furnish documents to the satisfaction of the Commission that the subsidy amount received by the licensee from the State Government is duly accounted for and utilised for the purpose for which the subsidy is given.

#### 8. Amendments to Chapter VII of the Conduct of Business Regulations:

- (1) In Regulation 50 the following shall be inserted as Clause (3):

"In case any person wishes to bring on record the successors-in-interest, etc., the application for the purpose shall be filed within 90 days from the event requiring the successors-in-interest to come on record. Provided that the Commission may, if it is satisfied that there is sufficient cause for not filing the application within the time prescribed, condone the delay subject to such terms and conditions, as the Commission may consider appropriate."

- (2) The following shall be inserted as Regulations 63 to 65:

"63. Recognition for Consumer Association and consumer interest:

- (1) It shall be open to permit any recognised association, forum or other bodies corporate or any group of consumers to participate in any proceedings before the Commission and permit them to make such representation or participate in the proceedings before the Commission in such manner as the Commission considers appropriate.

- (2) It shall be open to the Commission for the sake of timely completion of proceedings, to direct grouping of the associations, forums referred to in clause (1) above so that they can make collective representation.
- (3) The Commission may appoint any officer or any other person to represent consumers' interest, if considered necessary.
- (4) The Commission may, for the purpose of clauses (1) or (3) above direct payment of such fees, costs and expense by such of the parties in the proceedings, as the Commission may consider appropriate.

**64. Authorised representative to appear before Commission:**

A person may authorise an advocate or a member of any statutory professional body holding a Certificate of practice as the Commission may from time to time specify to represent him and act and plead on his behalf before the Commission. The person may also appear himself or may authorise any of his employees to appear before the Commission and to act and plead on his behalf. The Commission may from time to time specify the terms and conditions subject to which a person may authorise any other person to represent him and act and plead on his behalf.

**65. Applicability of provisions of Indian Penal Code and Criminal Procedure Code:**

- (1) In terms of Section 52 of the Reform Act, proceedings before the Commission shall be deemed to be judicial proceedings and Commission shall be deemed to be a Civil Court as specified in the said Section read with applicable provisions of the Indian Penal Code and the code of Criminal Procedure 1973.
- (2) The extracts of the relevant provisions of the Indian Penal Code and Criminal Procedure Code are as under:

(i) **Section 193.****Punishment for false evidence:-**

Whoever intentionally gives false evidence in any stage of a judicial proceeding, or fabricates false evidence for the purpose of being used in any stage of judicial proceeding, shall be punished with imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine;

And whoever intentionally gives or fabricates false evidence in any other case, shall be punished with imprisonment of either description for a term which may extend to three years, and shall also be liable to fine.

**Explanation 1.** A trial before a Court-martial \*[\* \* \*] is a judicial proceeding.

**Explanation 2.** An investigation directed by law preliminary to a proceeding before a Court of Justice, is a stage of a judicial proceeding, though that investigation may not take place before a Court of Justice.

## (ii)

**Section 219.****Public servant in judicial proceeding corruptly making report, etc., contrary to law:-**

Whoever, being a public servant, corruptly or maliciously makes or pronounces in any stage of a judicial proceeding, any report, order, verdict, or decision which he knows to be contrary to law, shall be punished with imprisonment of either description for a term which may extend to seven years, or with fine, or with both.

## (iii)

**Section 228.****Intentional insult or interruption to public servant sitting in judicial proceeding:-**

Whoever intentionally offers any insult, or causes any interruption to any public servant, while such public servant is sitting in any stage of a judicial proceeding, shall be punished with simple

imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(iv) **Section 345.**  
**Procedure in certain cases of contempt:**

(a) When any such offence as is described in Section 175, Section 178, Section 179, Section 180 or Section 228 of the Indian Penal Code (45 of 1860) is committed in the view or presence of any civil, criminal or revenue Court, the Court may cause the offender to be detained in custody and may, at any time before the rising of the Court on the same day, take cognizance of the offence and, after giving the offender a reasonable opportunity of showing cause why he should not be punished under this section, sentence the offender to fine not exceeding two hundred rupees, and, in default of payment of fine, to simple imprisonment for a term which may extend to one month, unless such fine be sooner paid.

(b) In every such case the Commissioner shall record the facts constituting the offence, with the statement (if any) made by the offender, as well as the finding and sentence.

(c) If the offence is under Section 228 of the Indian Penal Code (45 of 1860), the record shall show the nature and stage of the judicial proceeding in which the Court interrupted or insulted was sitting, and the nature of the interruption or insult.

(v) **Section 346.**  
**Procedure where Court considers that case should not be dealt with under Section 345:**

(a) If the Court in any case considers that a person accused of any of the offences referred to in Section 345 and committed in its view or presence should be imprisoned otherwise than in default of payment of fine, or that a fine exceeding two hundred rupees



should be imposed upon him, or such Court is for any other reason of opinion that the case should not be disposed of under Section 345, such Court, after recording the facts constituting the offence and the statement of the accused as hereinbefore provided, may forward the case to a Magistrate having jurisdiction to try the same, and may require security to be given for the appearance of such person before such Magistrate, of if sufficient security is not given shall forward such person in custody to such Magistrate.

(b) The Magistrate to whom any case is forwarded under this section shall proceed to deal with, as far as may be, as if it were instituted on a police report.

[ANNEXURE



## Annexure - III

## Form 3

## PARTICULARS TO BE FURNISHED BY THE EXEMPTION APPLICANT

(See Regulation 43 (4)(i))

**[Note: The General heading of the application shall be the same as in Annexure - I and the affidavit in Annexure - II]**

## 1. Details of Applicant

- (a) Full name of Applicant:
- (b) Full address of Applicant:

## 2. Details of Ownership

- (a) Company/Firm/Co-op Society/Individual/Others:
- (b) When and where registered/registration number/registered office:
- (c) Names and addresses of directors:

## 3. Principal shareholders/Partners/Members:

## 4. Principal Business Activity:

## 5. Details of Licence Exemption Application

- (a) Type of licence exemption for which application is submitted:
- (b) Boundaries of proposed Area of Supply (referring to the attached map when necessary):

## 6. Purpose and Nature of Supply

- (a) Sourcing of Power
  - (i) Voltage(s):
  - (ii) Source of supply (Own generation/Purchase from APTRANSCO/Purchase from Others (Name of supplier: \_\_\_\_\_))
  - (iii) Quantum of electricity handled in last 12 months
    - a. Demand (MW):
    - b. Energy (MU):



- (iv) Bulk purchase price at which electricity is procured:
- (b) Supply of Power
  - (i) Voltages of supply:
  - (ii) Categories of supply (Domestic/Commercial/Agricultural etc. with numbers, loads):
  - (iii) Persons to whom electricity is intended to be supplied with full details of categories of persons (members/employees' colonies/other concerns/general public, etc.):
  - (iv) Tariff at which electricity will be supplied:
  - (c) Method and manner of handling consumer grievances:
  - (d) Funding arrangements for maintenance, operation, improvements and expansion to meet supply obligations, future load growth, etc.:
- 7. Resume of the Organisation giving details of
  - (i) Management Capability:
  - (ii) Financial Strength:
  - (iii) Ability to discharge supply function in a sustainable manner:
- 8. (a) Date from which exemption is sought:  
(b) Period for which exemption is sought:
- 9. Detailed justification for seeking exemption:

-(Contd.)



## List of Documents to Accompany Exemption Applications:

(1) Copies of Company's Memorandum/Articles of Association/Partnership deed etc.

(2) Data Relating to management and Financial Capability

(a) Managerial:

(i) Senior management's curriculum vitae

(ii) Cadre strength for different categories, technical and non-technical

(b) Financial:

(i) Bank references asserting that the Applicant is financially solvent

(ii) Most recent Balance Sheet

(iii) Audited accounts for the Applicant and any Holding Company, Subsidiary or affiliated company for each of the three most recent financial years

(iv) Any accompanying notes and certifications on the above statements from a reputable chartered accountant

(3) Data Relating to the Applicant's future Business

(i) Five year Business Plan for the business for which the application relates

(ii) Five year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided

(4) Detailed Map(s) of the proposed area of supply

Detailed map(s) showing the area supplied and the configuration of the Transmission/Sub transmission and Distribution System including information on Substations. The map shall clearly distinguish between the existing System and any new facilities that are or will be required for the purposes of providing Supply.

The map shall indicate the streets and roads in which the energy is supplied and distinguish between public and private.

5. Copies of letters seeking consent from the local authority as per Section 16 (1)(i) of the AP Electricity Reform Act, 1998

6. Copies of letters seeking consent from the Central Government as per Section 16 (1)(ii) of the AP Electricity Reform Act, 1998

7. Copies of letters seeking consent from the licensed supplier(s) as per Section 16 (1)(iii) of the AP Electricity Reform Act, 1998

8. Proof of Service of the Copy of Application on APTRANSCO

(By Order of the Commission)

Hyderabad,  
28-8-2000.

(sd/)

Secretary to Commission.