



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Niyantrana Bhavan, Adjacent to 220/132/33 KV AP Carbides SS,
Dinnedevarapadu Road, Kurnool - 518 002, Andhra Pradesh.
Phones: 08518 - 294823,24,25,26

**TUESDAY, THE SIXTH DAY OF MAY,
TWO THOUSAND AND TWENTY-FIVE
(06.05.2025)**

:Present:

Sri P.V.R.Reddy, Chairman (I/c) & **Member**

AMENDMENT to Fuel and Power Purchase Cost Adjustment (FPPCA) Order FY2023-24 in O.P.No.69 of 2024, Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), O.P.No.70 of 2024 Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL) and O.P.No.71 of 2024 Eastern Power Distribution Company of Andhra Pradesh Limited (EPDCL).

The APERC passed an Order dated 29.11.2024, determining the **Fuel and Power Purchase Cost Adjustment (FPPCA) for FY2023-24 in respect of three DISCOMS, Viz. APSPDCL, APCPDCL, and APEPDCL permitted them to recover the amounts from their consumers, as shown in the table below:**

True Up of FPPCA for FY 2023-24 - Recovery Schedule					
Month of Consumption for which True Up of FPPCA is to be Charged	To be collected along with monthly consumption charges of	% of FPPCA Per Unit	APSPDCL	APCPDCL	APEPDCL
			FPPCA Rate Rs/Unit		
Apr-23	Dec-24	50%	0.4566	0.4619	0.4524
	Jan-25	50%	0.4566	0.4619	0.4524
May-23	Feb-25	50%	0.4566	0.4619	0.4524
	Mar-25	50%	0.4566	0.4619	0.4524

True Up of FPPCA for FY 2023-24 - Recovery Schedule					
Month of Consumption for which True Up of FPPCA is to be Charged	To be collected along with monthly consumption charges of	% of FPPCA Per Unit	APSPDCL	APCPDCL	APEPDCL
			FPPCA Rate Rs/Unit		
Jun-23	Apr-25	50%	0.4566	0.4619	0.4524
	May-25	50%	0.4566	0.4619	0.4524
July-23	Jun-25	50%	0.4566	0.4619	0.4524
	Jul-25	50%	0.4566	0.4619	0.4524
Aug-23	Aug-25	50%	0.4566	0.4619	0.4524
	Sep-25	50%	0.4566	0.4619	0.4524
Sep-23	Oct-25	50%	0.4566	0.4619	0.4524
	Nov-25	50%	0.4566	0.4619	0.4524
Oct-23	Dec-25	50%	0.4566	0.4619	0.4524
	Jan-26	50%	0.4566	0.4619	0.4524
Nov-23	Feb-26	50%	0.4566	0.4619	0.4524
	Mar-26	50%	0.4566	0.4619	0.4524
Dec-23	Apr-26	50%	0.4566	0.4619	0.4524
	May-26	50%	0.4566	0.4619	0.4524
Jan-24	Jun-26	50%	0.4566	0.4619	0.4524
	Jul-26	50%	0.4566	0.4619	0.4524
Feb-24	Aug-26	50%	0.4566	0.4619	0.4524
	Sep-26	50%	0.4566	0.4619	0.4524
Mar-24	Oct-26	50%	0.4566	0.4619	0.4524
	Nov-26	50%	0.4566	0.4619	0.4524

Regarding the above, the A.P. Ferro Alloys Producers' Association (APFAPA), by its letter dated 21.03.2025, has represented the Commission seeking some relief on the above-mentioned recovery schedule. The representation in Brief is as follows.

- The Andhra Pradesh Ferro Alloys Producers Association has 39 members, which draw around 800 MW of power 24/7 at a minimum of 85% load factor and directly and indirectly employ 40,000 families.
- This industry is power-intensive & power price-sensitive. In the last 7 decades, both the Central Government, the State Government and the Hon'ble Commission have seen to the industry's well-being by providing many reliefs, as this industry produces vital raw materials required for steel production. For the past few years, this industry was severely hit because of unremunerative markets coupled with

higher power tariff (increase in Electricity Duty by 94 Paise & introduction of MD charges (approx.80 Paise per unit)) in Andhra Pradesh and several Units had to shut down because of unviable operations compared to other ferro alloy producing States.

- The industry cannot meet the end-to-end requirement, eroding its working capital. The Association approached the A.P. Government to extend a helping hand for its survival, and the Government of Andhra Pradesh has come to the rescue of the industry and extended a rebate of 94 paise in electricity duty and a 90% rebate on M D Charges for almost 18 months, i.e. from 01.10.2023 to 31.03.2025. These two rebates extended by the government, totalling Rs.1.66 per unit, have given hope to the industry, which is expecting a better tomorrow. However, APERC Orders on FPPCA charges for FY2022-23 & FY2023-24 are coming up simultaneously, aggregating to over Rs.2.50 Paise (including 40 Paise being paid provisionally) has made it impossible to continue operations, thus pushing the industry to a corner and leaving no option but to close.
- Keeping the Industry position in view, the APFAPA requests the Commission to permit them to pay FPPCA charges for FY2022-23 and FY2023-24 in 30 monthly instalments and 48 instalments, respectively, as against the 15 monthly instalments and 24 monthly instalments in the Orders in certain simultaneous months.
- Alternatively, they requested the Commission recover the FPPCA charges for FY2022-23 and FY2023-24 in 60 monthly instalments.

The APFAPA reiterated the above in its letter dated 23.04.25 and sought relief from the Commission. They also submitted the letter dated 11.04.2025 to the Special Chief Secretary, Energy Department, Government of Andhra Pradesh.

Having examined the above, and keeping in view the Government of Andhra Pradesh's helping hand to this Industry to bail them out from distress, after hearing the opinions of CMDs DISCOMs, exercising the powers under Section 94 (1) (f) of the Electricity Act,

2003, and clause 55 (1) of APERC (conduct of business) Regulations, 1999, modified the recovery schedule for FY2023-24 at page 108 of the FPPCA Order dated 29.11.2024 as shown below for Ferro Alloy Industries under the Category III C: Energy Intensive Industries:

Amendment - True Up of FPPCA for FY 2023-24 - Recovery Schedule					
Month of Consumption for which True Up of FPPCA is to be Charged	To be collected along with monthly consumption charges of	% of FPPCA Per Unit	APSPDCL	APCPDCL	APEPDCL
			FPPCA Rate Rs/Unit		
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	Oct-27	50%	0.4566	0.4619	0.4524
Jan-24	Nov-27	50%	0.4566	0.4619	0.4524
	Dec-27	50%	0.4566	0.4619	0.4524
Feb-24	Jan-28	50%	0.4566	0.4619	0.4524
	Feb-28	50%	0.4566	0.4619	0.4524
Mar-24	Mar-28	50%	0.4566	0.4619	0.4524
	Apr-28	50%	0.4566	0.4619	0.4524

This Order is signed on the 06th day of May, 2025

Sd/-

P.V. R. REDDY

CHAIRMAN (I/c) & MEMBER